Daily Report

Latin America

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Venezuela

DPA reports the AD has refused to allow President Perez to attend the Ibero-American Summit in Spain. This decision "could cause a greater rift between the social democratic leader and his own party..." An AD spokesman said the discussion in Congress on tax reforms and Constitutional amendments "make it necessary for the head of state to remain in the country." Caracas TV reports that AD President Humberto Celli stated "...this position by AD should not be interpreted as a break in the relations between the party and the president."

Peru's Economy Minister on Andean Pact

HOY reports that Peruvian Economy Minister Bolona, in a meeting with Paraguayan President Rodriguez, "has offered the Paraguayan Government an outlet to the Pacific Ocean. He also expressed his country's intention to join Mercosur." ABC COLOR carries an interview with Bolona in which he explains his reasons for promoting Peru's withdrawal from the Andean Pact. The cost, he says, is "too high and the benefits too few to continue within a system that seeks to isolate us from the world." He believes Mercosur "may be an interesting alternative as long as it does not create the same problems" as the Andean Pact.

Brazil

O GLOBO reports that the CPI has experienced "friction" with the Central Bank and the Bank of Brazil regarding the surrender of "information on PC Farias's banking operations, on his companies, and on other people involved in the charges." The Bank of Brazil president stated he "could obey a decision made by an absolute majority of the CPI, and that this was not specified in the request that was sent to him." Consequently, the CPI gave him a 48-hour deadline to turn over the information.

Panama

The Attorney General's Office arrested two representatives of the Broad Front for the Rescue of Colon [Frasco] and the Movement of the Colon Province Unemployed [Modesco] for "questioning in connection with a death that occurred during last week's incidents," Panama City TV reports. This is "not a persecution or a witch-hunt," Colon Mayor Gonzalez stated, "this is simply an effort to ascertain responsibilities...." Panama City radio reports that both Modesco and Frasco members demonstrated and marched from the San Jose Church to the police station where the leaders are detained.

Guatemala

NOTIMEX reports the Serrano government is "pleased with the statements made by the URNG regarding resuming the peace dialogue," according to government representative Manuel Conde. Luis Becker, member of the URNG negotiating commission, noted the rebels' "disposition to continue the peace talks" in Mexico. Conde "ruled out the possibility" of UN involvement in the negotiations but the organization "will maintain its observer status."

Cuba

Castro Speaks on 'Economic Reality' at ANPP

FL1407204092 Havana Tele Rebelde and Cuba Vision Networks in Spanish 1700 GMT 12 Jul 92

["Summary" of comments by President Fidel Castro at the evening session of the National Assembly of the People's Government, ANPP, at the Havana Convention Center on 11 July—recorded]

[Text] There is a reality: There are not enough services. there are not enough products. Not only do we have.-...[pauses] We have many of these facilities which are not being used because we do not have the resources to use them. For the amount of money in the people's hands—and particularly now, now more than ever, since no one has been sent home, no one has been left on the streets, no one has lost a job, no one has been left without income—all those hotels are not enough to even satisfy a minimal part of the demand.

When we have not had enough products, what have we done with many products? We have distributed them, we have implemented selective distribution. When the first television sets arrived, there were not enough. They were distributed by factories. They were not distributed for money. Because if they were distributed for money, whoever had more money, even if he was not a worker or did not contribute anything to society, could buy the television. We distributed them by factories. Refrigerators were distributed by factories...[pauses] or by work centers. In other words, we distributed them to the workers in a selective manner. Motorcycles were distributed by factories; washers, by factory. In this country, cars were never sold freely; there were not enough. Any illegal vendor would pay 30,000 pesos for a car. Here, cars were sold for 4,000 or 5,000 pesos to a worker, a sugarcane cutter, a mill worker. The revolution did not have enough resources, and so it distributed them in a selective manner. Therefore, there were simply not enough.

Once I asked [Pedro] Ross this—or the Cuban Workers Federation, I do not remember exactly, this was years ago—I said: Ross, the available accommodations at hotels, beaches, and places like that, why do we not distribute it selectively like the refrigerators and the television, as we have done with many items? Some of these products were sold freely once there was a surplus. Once there was a surplus of television sets, and they were freely available. Then came the color televisions, and these were distributed in a selective manner to social and work centers and to the workers. I said: Let us distribute hotel accommodations for vacations, not like it is today when it is whoever is first in line, whoever has nothing else to do, whoever has more money, whoever bribes the reservation agent. Let us also distribute it among the workers like many other items. If there are not enough hotel accommodations, we have to distribute it selectively.

Now, do we have all the accommodations available? We do not have all the accommodations available, because we find that we need to sell a portion of these accommodations abroad. We find ourselves forced to sell a portion of these service, but it is not in an attempt to discriminate against anyone. This does not have any discriminatory purpose. It does not wrong human dignity, it does not lessen anyone, it does not slight anyone, but it is an effort to earn resources, income that the country needs desperately. We can truly not renounce this export. Yesterday, I used the example of the tobacco. The best tobacco is exported. Almost all the lobsters in this country are exported, those which are not sold in certain restaurants or diplomatic stores or places like that. Almost all the shrimp in the country is exported. In the past, we exported almost all the citrus fruit. Today, we are consuming much more citrus fruit because there is a surplus since we have lost its markets. I was saying that even the tobacco that we consume in cigarettes is imported, and we export the other kind. Almost all the tobacco used at the cigarette factories is imported, because the amount we have available is not enough to satisfy the market demand.

Tourism is an export service, and we export a portion of this service. This portion of the service...[pauses] We cannot consume all of it. If today, at current hotel prices—listen closely—we say everyone who wants to go to a hotel can go ahead to any hotel, even the joint investment ones. What would happen at the joint investment hotels? We would have to pay in foreign currency to our partners all the income received from Cuban tourism. This would represent an expenditure of income for the country which the country cannot afford. Is that clear?

For every 10...[changes thought] for every five people staying two or three days in one of those hotels, the country would have one less ton of meat to distribute to the people. For every six or seven people, we would have one less ton of powdered milk to distribute to the people. We would be spending foreign currency if we were to say that all the hotel capacity was freely available. We would not be able to export any, we would not earn any income, and would have to expend foreign currency not only to pay our partners but also for every bottle of any kind, for every service, for every pillow, for every carpet, every can of paint. All these expenses are in foreign currency. A considerable portion of the food consumed there is exported. We would be spending foreign currency on all these things. We do not have it. Therefore, we find that we need to export a portion of these products. We have no other choice.

We cannot say: Let us sell all of it. That would aggravate our situation in an extraordinary manner. I would not limit this only to the special period. We should not associate this phenomenon with the special period. We have to maintain this for as long as the country has a need for foreign currency and does not have other means of acquiring it. Therefore, this is not going to be only

limited to...[changes thought] It is going to be tied to a longer period of national development, for which we need these resources.

We cannot solve this on the basis of prices, because if we were to say: Let us charge 1,000 pesos at the hotels. There are enough people here who would pay 1,000 pesos at all those first-class hotels. There are thousands of millions [of pesos] on the streets. You know well who would come to these hotels if we were to charge 1,000 pesos. However, the tourists cannot afford to pay $1,000. The tourists will pay the same as they would pay in Jamaica, the Dominican Republic, or any other of those places, or they would not come here if you increase the price fivefold. Therefore, you would have to discriminate in price, and set a price of 10,000 for the Cubans and a price of 200 for the tourists. That could not be. There cannot be solutions for this problem based on pricing. We have no other choice but to separate a portion of our hotel capacity for export, to sell it abroad, which is the same as bringing a tourist here and selling him the services. We can use the rest of the capacity for the country. What percentage? Maybe 80—I do not know how much it would be—75 percent for national use and the rest for export, which are precisely the most expensive hotels, the higher quality hotels, as a rule.

Now, this gives rise to a situation. We cannot have people paying in dollars, either. That would be worse, because we would be creating a [word indistinct] here. Every whore [jinetera] around would be looking for dollars. They could come to the hotels if they did a trick with a tourist and were paid in dollars. Then, those with dollars could come to the hotels. But here it is not a matter of who has dollars. Rather, it is a service exported abroad, not exported within the country to Cubans with dollars. If we were to do that, the effect would be disastrous because it would promote all sorts of immoralities and shady deals. It would be incredible if we were to say that Cubans can pay in dollars, because that would establish great discrimination between Cubans who have dollars and Cubans who do not. The most honest people would never see the hotels. The most loose, corrupted, dealing, scheming people, those in contact with foreigners, would have dollars. There is the real situation that there is not enough capacity, that we need these facilities, this income, that just as in the case of tobacco and many other things, we have to export them. We cannot consume them.

We have a problem of insufficient resources for distribution among everyone, and we have no choice but to ration them in some manner, distribute them selectively to Cubans. There is not enough for everyone, but those Cubans who deserve it the most, those who produce the most, those who contribute the most to the development of the country, these workers get to use these facilities, and the rest is exported. It is an economic reality. It is not any form of discrimination. It is not any form of social, religious, nor racial discrimination of any sort. We have no other choice. It is a reality imposed by the economy. It is the reality of having to export a part of these services. This is simply what we are doing. This is a problem that cannot be solved through pricing, because what I said would occur. Tourists would not come at the prices we would have to set to make the price the distributing factor.

Only those with the most money could visit the hotels. The thieves, and there are quite a few thieves in this country, would be visiting these hotels all the time. Those who have the highest income, not the ordinary workers, would be able to use the hotels. To ask for payment in foreign currency cannot be allowed because it would instigate corruption. Therefore, we have no other choice but to do it in the manner we are doing it.

The enemy is aware of the reality of these economic needs. They are aware that there are joint-venture hotels where, as a rule, payment is not made in national currency and also Cubans do not visit these hotels to pay in dollars because they cannot come. These are services exported to the tourism corporations which are the ones who use these services. It is a reality. Yes sir, Cubans do not go to the Sol Melia and other such hotels, because the hotel services are exported for the tourists. The country has this need.

All this is used as propaganda in a perfidious, perverse, cynical manner to present it as a case of discrimination. The fact that 80 percent of Cuba's recreational facilities are for the use of the workers is not mentioned. What Ross said is not mentioned. They stress that there are hotels for tourists, yet there are tourist hotels everywhere throughout the world. Spain is visited by approximately 40 million tourists. How do they solve it? Through pricing. The tourists have more money than the Spaniards. The 40 million come and pay. Spain does not have a special period; it is not a country under an embargo. It is a developed country. They have been building tourist facilities for 50 years. This results in unrestricted prices, and 40 million tourists come to visit. There is a large number of countries which export much more tourism than Cuba. Jamaica exports much more tourism than Cuba. The Dominican Republic exports much more tourism than Cuba. The people of these countries do not have the money to pay for these services.

We live in a country where money, the peso, is very abundant. It is a reality. This is a situation that in the past we tried to keep balanced, but today we cannot do so because we would have had to apply the shock policies which many Latin American countries have implemented and would have to leave 1 million people unemployed. That makes no sense, nor it is revolutionary, or socialist, or anything. What the revolution has done during the special period is to protect every citizen. But there is a great abundance of money.

Many countries export a higher percentage of their hotel capacity than Cuba. That is, of course, what is used. What are we going to do regarding this? We have no choice. I have been pondering formulas even if at the expense of a part. Ross mentioned this. We have tried

some ideas. In some of these hotels designated for foreign tourism, we have allocated a percentage for the use of scientists, for those at scientific research centers certain categories. That is one of them. As an incentive to the scientific research workers. We have been seeking other formulas, at hotels which are not joint ventures, to assign a percentage of the capacity to Cubans, to workers. This is what we have done at the Santiago Hotel, where there are 30 rooms permanently assigned to workers. We have also done this in other hotels. Certain hotels are always filled with workers, or honeymooners, or all that type of thing. We have been trying to make sure that there is not a single hotel left that does not have a quota for Cubans. But not for any Cuban, not for those who arrive with lots of money to bribe the workers.

Of course, when dealing with a joint-venture hotel we have to discuss this with them. And it is obvious that we have to pay in foreign currency or discount from the Cuban share of the earnings the cost in foreign currency of the Cubans' stay. We are trying these types of formulas. With the youth, we use the formula that we established for the discotheques. In Santiago de Cuba, we also use the formula for the discotheques. At the Tuxpan Hotel in Varadero, which is a joint venture, they are also using the discotheque. We are trying formulas so that a portion of that capacity can be enjoyed by the workers. We have thought that it is a type of formula that we need to find so that there is not a single one of these hotels which a Cuban cannot visit, but a hard working Cuban. We are going to discriminate against illegal vendors, although it is not contained in the Constitution. The illegal vendors, the lazy, the bums, the crooks are not going to enjoy these places. That is the truth. We do not have enough to go around and we have to distribute this in the same way we have distributed so many products, in a selective manner.

There are a few restaurants. They are really not joint ventures. There are maybe half a dozen at the most. We have tried to maintain the least possible number of restaurants. The main restaurants in Havana, the most famous, a few years back—I do not know what their current supply situation is—but La Zaragozana, El Castillo Farnez—these restaurants were created for everyone's use. It was a sacrifice. We had to spend foreign currency to transport and buy the food, to supply them. A few restaurants were opened, but we try to keep them to a minimum.

What we cannot guarantee is that not many joint-venture hotels will be built. Logically, at joint-venture hotels we will be limited for the economic reasons I have explained. We will be limited, yet we have to seek a portion for national use even if we have to spend foreign currency, and make this portion available to the workers. I would say that this need of the joint ventures to export a percentage of our hotel capacity will be with us for many years to come.

We have to be realistic and courageously accept these realities, but we have to acknowledge that these limitations exist. It is not enough to mention how many people visit the hotel. This shows the possibilities our country has even in conditions as difficult as these. But there is the reality that the available capacity is limited and that a portion of this capacity has to be exported and that the problem cannot be solved neither by pricing nor by allowing access to Cubans able to pay with foreign currency, because that would be a truly corrupting formula. It would be a formula that would promote all sort of immoralities, vices, and negative tendencies in the country.

We had to accept tourism as an economic need, but we said that it will be tourism free of drugs, free of brothels, free of prostitution, free of gambling. There is no cleaner, purer tourism than Cuba's tourism, because there is really no drug trafficking, no gambling houses. There are hookers, but prostitution is not allowed in our country. There are no women forced to sell themselves to a man, to a foreigner, to a tourist. Those who do so do it on their own, voluntarily, and without any need for it. We can say that they are highly educated hookers and quite healthy, because we are the country with the lowest number of AIDS cases. There are nearby countries which have tens of thousands of AIDS cases. Therefore, there is truly no tourism healthier than Cuba's.

We can tell this to those who accuse us. We can use all these arguments, the arguments that we have been listing here. We can present it as it is, as an economic necessity, the necessity of exporting a part of these services. What type of tourism do we have here? It has not occurred to anyone—and I hope it will never occur to anyone—to set up a casino, or a brothel, or a drug business. We know that all these problems affect tourism everywhere in the world. Many of the tourists visiting Cuba are retirees, Canadians, and from many other countries. They are humble people; Cuba does not even have tourism for millionaires. Of course, we hope that more people with more money come to visit us. We hope that they spend more in the country.

Can we renounce this during a special period? Can we renounce this export? It would be as if tomorrow we were to say: Let us stop tobacco exports and let us smoke all of it here, because there is discrimination when the foreigners enjoy the famous tobacco brands and we do not. Let us give up lobster exports, which give over $100 million to the country, because there is a discrimination: Cubans do not eat lobster. Foreigners eat it in France, or in Spain, or in Japan, or in Canada. We have renounced shrimp, and all our export products. We would like to consume them here. We would have to renounce coffee exports and consume all the coffee here. We would have to practically renounce all the exports and consume them here. Yet, that tourism is an export product which is not consumed in Paris; it is consumed here. It is not consumed in Canada. It is not consumed in Germany. It is consumed here.

Are we, during the special period, going to renounce this? And when are we going to renounce this? What is a country under an embargo, such as ours, going to live off of, with over 30 years of embargo?. A country whose commercial activities are rigorously persecuted by the enemy?. What is our country, our revolution going to live off of since the socialist bloc has collapsed, since the USSR has disappeared? Since, as I was saying yesterday, for a ton of sugar we get only 1.4 tons of oil?

In 1959, when sugar was 5 cents a pound, oil was $14 a ton. Today, sugar is priced at 9 or 9.5 cents, more or less; yet oil is $140. For every ton of sugar that we produce with so much effort from the cane we plant, tend, keep free of weeds, cut, transport, convert to sugar at the refineries, take to the harbor, and export, for every ton of sugar we get 1.4 tons of oil. That is the situation. Who has the right to criticize us for trying to make a living, for trying to meet our needs, for trying to develop this sector of the economy, for exporting a certain amount of services? This is not the only service we export. Sometimes our vessels also transport other countries' merchandise. There is a series of services which we export. Sometimes we also repair foreign vessels here for the revenues it brings to the country. Who has the right to criticize us for all of this?

As revolutionaries, what are we going to do? Be ashamed because we are fighting, be ashamed of resisting, be ashamed of seeking ways to solve our problems and continue developing amid such immense difficulties as an economic embargo, the disappearance of the socialist bloc, the disintegration of the USSR, the loss of our markets, a 60-percent reduction in imports? Who has the right to criticize us for doing this, as if what we are doing was immoral, as if it was unfair, as if it was discriminatory? And for what we find ourselves forced to do? Every country has to export a portion of the goods or services it produces. This is simply what we are doing, and all countries also do so. They export a part of their goods and services, some in a larger amount, some in a smaller amount.

We are not committing any indignity, any injustice, any discrimination. We should not let the lies of our enemies, the campaigns of our enemies discourage, demoralize, shame, nor embarrass us because we are the ones defending our country. Not only are we defending it in the economic sphere; we are also defending it in the ideological sphere, and in the defense sphere. We are the ones willing to die in defense of the revolution. [applause]

We are the ones upholding the banners of principles, the banners of socialism, the banners of internationalism. We are the ones serving humanity. Who has the moral right to criticize us? Let them go to the United States and tell them to end the embargo. They are like those who come to ask us for concessions. Do this and that so that the revolution collapses, so that it becomes demoralized. They do not go to the United States and tell them to end the embargo. They do not go to their governments to tell them to give us resources, to give us at least the part that would correspond to Cuba of that pittance, those alms that they distribute throughout the world. They do not do that but they come to ask for concessions from us. They say: Make this concession, and that other, and another.

If we had followed that course, the Cuban Revolution would not exist today. And if the Cuban Revolution exists it is because we have not made those concessions. And if they were to destroy the Cuban Revolution one day, may they destroy it together with us. [applause] If the Cuban Revolution is going to disappear one day, may it disappear together with us. But it is not going to disappear as the result of concessions, submissions, capitulations, or cowardice on our part.

And if it fell to us to defend a revolution under such difficult conditions, there is a reason why. It is better that it fell to us, because others would not have resisted even a hundredth part of what we have resisted. Others would not have had a hundredth part of our spirit. They would not have had a hundredth part of our fighting capabilities. But if it has fallen to us, if history has wanted to give us this role, the defense of this revolution could not have been left in better hands. [applause]

Therefore, we must not become discouraged or afraid because the essential thing is that we understand this, that our people understand it. That is the most important thing, that we be able to explain all these problems. There are countries that get hundreds of thousands [not further specified] without moving a finger, and we have to work very hard to earn our bread, very hard. This is the reality. We get nothing for free. We have to earn everything ourselves. We have to do everything ourselves. We have to develop everything ourselves in the face of pressure and a fierce embargo carried out by the largest imperialist power in the world.

Some people sometimes forget that the socialist bloc has disappeared, that the USSR disintegrated, that the United States exists and is the mightiest imperialist power in history. There are some people abroad who forget this, and there are some people here who also forget this because they forget or want to forget it. But we must be very clear and aware of our problems and how we must solve them, how we must confront them.

This is the reality. There is nothing else. It is the reality. We must understand this reality and know what we are doing, how we are doing it, and why we are doing it, and in this situation, what we can do to smooth out the most disagreeable aspects of this situation. I am sure that we will find ways. We are looking for ways. Even if it is a small part of these large hotels, we will arrange it so that Cubans can also enjoy them. We will calculate what it will cost us. What will it cost us? Not everything, nor half of it, nor two-thirds, not even 20 percent. But at least if it is 10 percent, even if it is 5 percent, we will use it so

that every one of our meritorious compatriots knows that he has the opportunity. The illegal vendors will not have it.

We are looking for ways. We have to work our heads off, find ways for our people, right? To give our people something, as we do in other things, as we do in other things. [repeats] If those hotels were given to us tomorrow, if our partners withdrew, and no more tourism came to the country, those hotels would have to be closed for economic reasons. So, we are not depriving anyone of anything. This is the reality.

These services are new, all these services that are being put into practice. We could not make them available in any other way. The only way these hotels can remain open, with hundreds and hundreds of our compatriots working there, is through these joint enterprises. In the future, there may be many more hotels. That is why it is necessary that we are clear on this. One day there might be 100. We really thought, when we began to promote all these programs and make causeways, to build a great part of the hotels ourselves. With our hotels, it is easier to manipulate, devote one percentage or another [to Cuban tourism]. It is less costly in hard currency.

But really, today the greatest prospects for hotel development is through joint enterprises. Because we have very few resources available to build new hotels, and we need them for scientific research, biotechnology, the pharmaceutical industry, the food program. We do not have the money to do this. So really, we are not depriving any Cuban citizen of anything, because we could not keep any of these hotels open.

General Rosales, Ross Attend CTC Meeting

FL1507015692 Havana Radio Rebelde Network in Spanish 2300 GMT 14 Jul 92

[Text] The progress of the civil defense tunnel construction program was evaluated as positive in the meeting of the national secretariat of the Cuban Workers Federation [CTC] held today in Havana. Division General Ulises Rosales del Toro stated that this is a task that should continue having the highest priority within our theater of operations, and he described how this task is acquiring a markedly political character as a result of the participation of the entire population.

Another point on the agenda of the CTC national secretariat meeting was the analysis of the recently concluded sugar harvest. Minister of the Sugar Industry Juan Herrera described the harvest as a great deed that had been achieved thanks to the extraordinary effort of our workers, and he issued a call to begin preparations now for the next harvest. Herrera said that there will be an increase in the number of youths working in sugarcane cutting and transportation and that new secondhand technologies will be introduced in the industry to obtain greater efficiency. He also predicted that the innovators and all those workers able to participate in repairing spare parts should intensify their efforts.

CTC Secretary General Pedro Ross spoke during the discussion of this topic and also mentioned the need to further boost attention to the workers. He affirmed that this can be accomplished through strong base-level union work, and added that these solutions will also contribute to solving the problem of absenteeism, labor instability, and will even influence the quality of the products. Pedro Ross said that for this it is necessary to continue seeking a real solution to problems such as, for example, workers' housing, with the resources available, and to ensure the functioning of community services at the mills.

Toward the end of the meeting, the CTC secretariat took time to analyze the progress of the Spare Parts, Equipment, and Advanced Technology Forum. In this regard, Pedro Miret Prieto, the chairman of the national commission organizing the forum, reported that there have been more than 45,000 proposals and called for seeking more solutions for conserving fuel, given the critical situation the country is experiencing.

Province Cane Planting Plan Figures Given

FL1407213992 Havana Radio Rebelde Network in Spanish 1700 GMT 14 Jul 92

[Text] The latest note from the Ministry of the Sugar Industry [Minaz] states that the cane planting efforts continue to go slowly. To date, only 64 percent of the plan has been met. The only province that has exceeded its cane planting plan has been Santiago de Cuba, followed by Granma with 95 percent, and Holguin with 90 percent. Guantanamo, Las Tunas, and Cienfuegos Provinces have planted a little more than 80 percent of their cane planting plans. The tensest situation is in Sancti Spiritus, with only 34 percent of its plan completed.

This year has probably been the most difficult year for the sugar industry. Right now, there are still some sugar mills that are active, while others have begun their period of repairs. For the Ministry of the Sugar Industry, planting the sugarcane for the next season and making repairs efficiently and on time is to have won part of the battle.

In the current circumstances, we are not trying to accuse those that have not yet met their cane planting plans. We all know that this sugar harvest, the first of the special period, has been done with the aggressiveness, dedication, and that extra bit that characterizes Cuban sugar workers. It is true that we will have to renew our strength to meet the planting plan before 31 July.

If the experience of the recently concluded harvest is repeated, as far as beginning the cane cutting in December, under the current circumstances, we have less resources in general, and it would be strategic to start the harvest early to be able to reach the sugar volumes that the country has committed to. That is what it is all about.

Christian Volunteers Work in Citrus Harvest

FL1407214492 Havana Radio Reloj Network in Spanish 1935 GMT 14 Jul 92

[Text] In response to a call made by the Cuban Ecumenical Council, more than 200 believers will work in the citrus harvest from 14 to 26 July at the Victoria de Giron Scientific-Productive Complex in Jaguey Grande Municipality in Matanzas. This work force is comprised of Christians from different churches in Cuba which have voluntarily mobilized their followers to work in the lemon harvest and the weeding of citrus plantations. There is a group of members of the Communist Party of Cuba and the Union of Young Communists working alongside the believers in the agricultural tasks and participating in cultural activities and discussions of the current national situation.

These days, at the Juan Diaz Preuniversitary School in the Field, where Christians and communists are working together, it is common to hear the words "brother" or "comrade" as a sign that in our country, above any philosophical ideas, Cubans are joining forces in these times.

Domestic Oil Used To Generate Electricity

FL1507000692 Havana Radio Reloj Network in Spanish 2312 GMT 14 Jul 92

[Text] The generation of electricity for the national network currently uses 10 percent of Cuban oil as a way of alleviating the fuel shortages that affect the country. Of the more than 10 plants that use fuel oil, those that are supplied by domestically produced fuel are Mariel and Santa Cruz del Norte in Havana Province, Jose Marti in Matanzas Province, and Renten in Santiago de Cuba Province.

The country allocates between 7,000 and 7,500 tons of imported oil to the generation of electricity daily, with the priority on basic and social services, food production, basic industries, hospitals, aqueducts, and public consumption.

With the arrival of summer, the tendency to overconsume electricity has been reported, as in June, when state enterprises and residences surpassed their consumption plans, with the exception of Havana and Sancti Spiritus Provinces and the Isle of Youth.

Spanish Tourists Donate $250,000 in Supplies

FL1407235192 Havana Cuba Vision Network in Spanish 2220 GMT 14 Jul 92

[Text] A group of 140 Spanish tourists has arrived on the first direct flight between Valencia and Santiago de Cuba. Of them, 103 are members of the Valencian-Cuban Friendship Association who have also traveled to Santiago de Cuba to give the Cuban people a donation of medicine, powdered milk, and school supplies worth approximately $250,000.

The Valencian-Cuban Friendship Association is also working on the restoration of the house in Valencia where Mariano Marti, the father of our national hero, was born. During this visit, the membership of the association increased, since the 37 Valencia residents who traveled as tourists also joined the association.

Haiti

Pro-Bazin Demonstrators Protest in Jacmel

FL1407155592 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 14 Jul 92

[Report by Jacmel correspondent Wilder Thibaud]

[Text] A group of citizens, mostly members of the Movement for the Establishment of Democracy in Haiti [MIDH], headed by Marc Louis Bazin, along with two folk bands, demonstrated in Jacmel over the weekend against the embargo imposed on Haiti. The placards brandished by the demonstrators asked that the OAS lift the embargo, and that necklacing be outlawed in the country.

The demonstrators support consensus Prime Minister Marc Louis Bazin. Many of the MIDH members flourished pictures of the prime minister during the demonstration. Proper security was provided the demonstrators to avoid run-ins. After several rounds of the city, the demonstrators went home.

Despite many calls on the local radio stations requesting the participation of the population, the turnout was not as great as expected.

Senator Mondestin Denounces Bazin Nominations

FL1407185392 Port-au-Prince Radio Metropole in French 1400 GMT 14 Jul 92

[Text] National Reconstruction Movement [MRN] Senator Rony Mondestin denounces any nominations made by Prime Minister Marc Bazin in the public administration. Mondestin asserts that no article in the Constitution authorizes Marc Bazin to do so.

It is to be pointed out that Sen. Rony Mondestin as well as MRN leader Rene Theodore have returned from Caracas, Venezuela. During their stay there, they met with Venezuelan President Carlos Andres Perez and discussed, among other topics, the Haitian crisis.

Recommendations Made to Public Prosecutors

FL1307165792 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 13 Jul 92

[Text] Minister of Justice Moise Senatus has presented 11 recommendations to the public prosecutors of the 15 jurisdictions of the country. This is a series of measures that the minister of justice has asked public prosecutors to take to allow the judicial institutions to function as required by law, that is, to

render justice to all, without bias. Minister Senatus made the following recommendations to the public prosecutors and deputy public prosecutors:

To prevent the execution of unfair verdicts against the peasants;

Not to interfere in what is not their business;

To remember that they represent society and to do their jobs in accordance with the provisions of Articles 13 and 37 of the code of criminal justice;

To refrain from issuing summons or warrants against persons not caught in the act, as provided for in Articles 24 and 30 of the same code;

To try to settle the cases that occur in their jurisdictions;

To open inquiries promptly on the cases requiring such;

To monitor investigations and hearings and promptly to execute the orders of the examining judges;

To verify that procedures are respected;

To execute, without anxiety, decisions and verdicts rendered by jurisdictions and courts;

To respect fully Article 26 of the 1987 Constitution, which stipulates that no citizen spend over 48 hours in jail without appearing before a justice;

To send the ministry a detailed report at the beginning of each month stating the number of cases scheduled for hearing and the number referred to examining judges.

Moise Senatus made these recommendations during a meeting with all public prosecutors on 10 July at the Ministry of Justice. At the beginning of the meeting, Senatus pointed out that, for some years, the public prosecutors have set aside the work they are supposed to do and have been taking care of activities that do not concern the institution [as heard]. According to the minister, the public prosecutor's offices have become courts settling all kinds of litigation, which has rendered the institutions worthless. With these new recommendations, the minister hopes the public prosecutors will get to work so that democracy can progress in Haiti. Democracy cannot work unless the law is respected and officials are concerned with doing things correctly.

After the meeting, most of the public prosecutors promised that they would return to their offices with a concern for the triumph of justice in their (?jurisdictions).

Reinstatement of Mayors Called 'Delay Tactic'

FL1407171492 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 14 Jul 92

[Excerpt] Grand-Gosier Mayor Pierre Eugene Jean says the measures announced by the consensus government allowing the mayors elected during the 16 December elections to return to their posts is a delay tactic, given the numerous security problems facing those mayors in their regions. Concerning the investigations that must be conducted by the delegates and vice delegates in all cases where mayors have been prevented from returning to work, the Grand-Gosier mayor doubts whether those investigations can be properly carried out because section chiefs have persisted with repression in many regions of the country.

Regardless of the steps taken by the consensus government to allow the mayors-elect to return to their posts, Grand-Gosier Mayor Pierre Eugene Jean believes those steps will be meaningless unless the government does the same for everyone, including Communal Section Administration Council members and the president [Jean-Bertrand Aristide], all of whom were elected during the 16 December elections. Yet, Grand-Gosier says he will be able to return to his post only as long as Father Aristide does not return to power.

The day before Evans Paul's statements, the minister of the interior... [rephrases] It should be pointed out that over the weekend, Port-au-Prince Mayor-elect Evans Paul said that the mayors will not be able to return to their posts unless Father Aristide is reinstated in his post as head of state. [passage omitted]

Deputy Plancher Condemns Cases of Repression

FL1407195092 Port-au-Prince Radio Metropole in French 1045 GMT 14 Jul 92

[Excerpts] Deputies continue to condemn cases of repression to the justice committee of the lower chamber. The cases of Mole Saint-Nicolas, Bombardopolis, and Baie de Henne add further to those of the Teachers Training School [Ecole Normale Superior] and Marchand Dessalines, according to the deputy from the first district of Mole Saint Nicolas. Deputy Elie Plancher condemns the upsurge in acts of repression in his districts over the past days. Let us listen to Deputy Elie Plancher.

[Begin Plancher recording in Creole] Indeed, the situation is not good at all in my district. Well, I must tell you that the situation calmed down right after the coup. After 30 September, we were told that there were people who were close to Aristide and others who were against Aristide and that it was normal that there would be this clash. [passage omitted]

But yesterday, there was a situation...[rephrases] I can say the situation has worsened. It has deteriorated further because we have learned of a case (?which is worse) than all the other cases such as a clerk who could not meet with the deputies because two days before he was beaten so badly by the one in charge of the post that he could not get up and go to the court.

What draws people's attention more this week is notably the case of Carl-Henry Richardson. A group of people, whom everyone knows participated in the Jean-Rabel massacre, saw him in the area. Then, they drove...[rephrases] Given that Jean-Rabel is a subdistrict and they

found the subdistrict too powerless, they drove to the district in Mole Saint-Mole and sent a commando unit to come and (?arrest) him in Jean-Rabel.

I am telling you, according to reports given to me last night, he is bleeding profusely. He has internal bleeding. This is an example of why his situation in jail now is really catastrophic. [end recording]

Green Plan To Link Mountain Ecology to Plains

FL1407155792 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 14 Jul 92

[Text] Minister of Agriculture Jacques Baker has announced that the ministry he is heading will set up a plan aimed at turning all the territory of the country green in the near future. Baker, in an interview with Radio Metropole, said the purpose of the green plan is to link the ecology of the mountains to the ecology of the plains and to improve the country's agricultural production so the farmers can have a better standard of living. The minister of agriculture admitted that a green plan requires much time to become a reality in a country like Haiti, but that the Ministry of Agriculture will use the time at its disposal to do its best to achieve this goal.

Baker asserted that his ministry will focus on three phases of the emergency plan announced by the government over the last few weeks while the Ministry of Agriculture prepares all files required for the realization of the green plan. This plan includes a social phase, an ecological phase, and a phase relating to small enterprises.

Asked how the government will finance the green plan, Baker pointed out that international aid to Haiti has never been used properly. He added that he does not worry about where the money will come from. In his opinion, more important is the manner in which the available resources in the country are being used.

Thanks to the commitment he has made to his post, Minister Baker has managed to motivate the agronomists working in the Ministry of Agriculture. He believes the same motivation exists within all the Haitian people. When asked whether he is afraid that someone at the Ministry of Agriculture might try to sabotage his plans, Jacques Baker answered that it is always easy to disrupt what is not good but that given the country's current situation, no one should consider sabotaging what is good.

Jamaica

Costa Rican Foreign Minister on Visit

FL1407224792 Bridgetown CANA in English 2122 GMT 14 Jul 92

[Text] Kingston, Jamaica, July 14, CANA—The need for closer ties between Central America and Caribbean nation states featured prominently in discussions over the last three days, between Jamaican Government officials and visiting Costa Rican Foreign Minister Bernd Niehaus.

"It is very important that Central America and the Caribbean work together to develop closer ties in economic and political development and this visit should help us to find new ways to come together," Niehaus told CANA.

A communique issued by the Jamaican Government Tuesday [14 July] said Niehaus and Jamaica's Foreign Affairs Minister David Coore agreed that there was "need to identify strategies for developing trade and economic links between Central America and the Caribbean." This, the communique said, was against the background of the agreements reached at the first meeting of Central American and Caribbean foreign ministers in San Pedro Sula, Honduras, in January.

The two ministers also examined possibilities for improving transportation, communication links, marketing strategies, and cultural exchanges between the two sub-regions. The absence of direct air links between Central American countries and the Caribbean was of major concern to Niehaus, who, in addition to Coore, met Prime Minister P.J Patterson, other ministers of government, and parliamentary opposition leaders during his low-keyed visit which was ending Tuesday.

"It is incredible that to come from Costa Rica to Kingston takes 10 or 11 hours, the same as from Kingston to Europe," he told CANA.

Regarding the differences between Central American and Caribbean banana producers on the marketing of the fruit in the single European market, the two ministers agreed on "continuing dialogue" in order to find "areas of common concern which regional producers can advance to their mutual benefit." Caribbean banana producers are anxious to maintain existing quota protection provided to them under existing agreements with European Community countries. Competing producers from Central America are opposed to the quota regime.

Figures Indicate PRI Leads in Michoacan

PA1407150492 Mexico City Canal 13 Television Network in Spanish 1313 GMT 14 Jul 92

[Text] The vote count continues in Michoacan. It has been confirmed that the two leading forces in the state are PRI [Institutional Revolutionary Party] and PRD [Party of the Democratic Revolution].

On the night of 13 July, the State Electoral Commission released preliminary figures received from Michoacan District committees that reflect votes cast in 2,793 of the 3,632 booths in the gubernatorial election. PAN [National Action Party] received 40,477; PRI received 317,176; PRD received 212,028; the Party for the Cardenist Front for National Reconstruction received 16,905; and the Authentic Party of the Mexican Revolution received 6,083 votes.

Figures are also available for 2,623 booths of a total of 3,632 in the Michoacan elections for deputies. PRI received 293,000, and PRD 189,355. As the preliminary vote count continued, Luis Mejia, PAN president in Michoacan, gave some figures that correspond to those already released by the Michoacan State Electoral Commission. Octaviano Alaniz Alaniz, Cardenist Front candidate for governor of Michoacan, said that according to the preliminary figures, PRI is in the lead.

On 14 July the people of Michoacan calmly continue to observe the final results that will be officially released on 15 July for each of the state's electoral districts. It has also been reported that the contending parties only submitted nine objections prior to the election. The objections have been turned over to the Electoral Tribunal. No objections have been filed since the elections were held.

During the 13 July evening session, the Cardenist Front electoral committee representative said it was incredible that PRD declared itself the election winner when it had only 8 percent of the tally sheets that it should hold. The parties were asked not to declare any victories before the final figures are released.

Electoral Victory Announced

PA1407151892 Mexico City NOTIMEX in Spanish 0917 GMT 14 Jul 92

[Text] Mexico City, 14 Jul (NOTIMEX)—The ruling PRI has announced its electoral victory in Michoacan while it admitted the PAN has the lead in Chihuahua, according to preliminary reports from electoral commissions in each state.

The State Electoral Commission in Michoacan State reported on 13 July that the PRI candidate for state governor, Eduardo Villasenor, maintains a lead of 105,418 votes over his nearest competitor, PRD candidate Cristobal Arias.

Based on these figures, the PRI's State Directorate Board said in a news conference the State Electoral Commission might officially announce its victory on 14 July.

Meanwhile, the center-left PRD made an allegation of electoral fraud.

Opposition PAN and Party of the Cardenist Front for National Reconstruction (PFCRN) members endorsed the PRI's victory with 56.2 percent of the 185,280 ballots cast at 576 electoral tables.

The State Electoral Commission in northern Chihuahua State said that following the tally of 55 percent of the voting tables, PAN candidate Francisco Barrio has a lead of 30,000 votes over PRI candidate Jesus Macias Delgado.

Macias Delgado held a news conference on 13 July and admitted his defeat by PAN candidate Barrio Terrazas, adding that "when a trend establishes itself, it is difficult to change."

Citizens in Michoacan and Chihuahua cast their votes on 12 July to elect governors and deputies to local congresses. These were the first elections in which clergymen were allowed to vote.

According to local and foreign media reports, the elections were held without incident, and people were interested in participating in the process for a democratic change.

U.S. political analysts believe the eventual recognition of the opposition's victory in Chihuahua will prove the Mexican Government's determination to complement the economic reform process with political modernization.

Trade With Cuba Increases $118 Million

PA1407201792 Mexico City NOTIMEX in Spanish 0132 GMT 14 Jul 92

[Text] Mexico City, 13 Jul (NOTIMEX)—Commercial exchange between Cuba and Mexico has risen over $118 million per year in the past few years, placing the Caribbean island in eighth place among American continent countries, it was reported here.

Armando Mas, Cuba's commercial counselor in Mexico, said his country has been forced to draft a plan of action for overcoming its difficult situation. To achieve that goal, priority was given to obtaining foreign currency through the development of new exportable funds.

During an event organized by the Party of the Cardenist Front for National Reconstruction. Mas noted that Mexico has become one of Cuba's most important markets. That is true first from the Latin American perspective, and now from an overall perspective, based on the reorganization of Cuba's foreign trade, in which Latin American and the Caribbean occupy an important place.

* Capital Area Citizens Polled on Pollution

92CA0173A Mexico City NEXOS in Spanish No 173, May 92 pp 69-71

[Text]

Survey Corner: NEXOS Sounds Out Public Opinion

More or Less Pollution?

Environmental pollution, the focus of attention of capital city residents, has become the most important public problem in Mexico City. How could the prevailing attitude towards this problem in the capital be described? What effect does it have on the public's assessment of the authorities? Whom do capital city residents blame for pollution? What solutions enjoy the greatest consensus? In what spirit are the government's measures to deal with the problem being accepted? NEXOS commissioned Opinion Profesional to conduct a poll in the ZMCM [Mexico City Metropolitan Area] to investigate this complex issue and answer these questions. The survey was taken among a sample of homes in the ZMCM this past 30 March and consisted of 1,000 interviews, 992 of them successful.

The population of the ZMCM is very well-informed about and aware of the situation and the government's measures to deal with the so-called "environmental emergency." No other government measures have achieved such a high level of public awareness in so short a time. Some 95 percent said that they were aware of pollution levels, and 80 percent correctly indicated the "imeca" [Metropolitan Air Quality Index] ozone level recorded the day before the poll. Moreover, 92 percent of the respondents were thoroughly familiar with the measures that the city government took during the emergency.

This high level of awareness translates into a mood that the public describes as "concern" (50 percent) or "uneasiness" (20 percent), although only one-fourth of the respondents said that they were "alarmed" or "angered" by the emergency.

As a result of the emergency, which of the following words best describes the public's mood?

Description	Percent
Concern	48.3
Alarm	20.6
Uneasiness	16.5
Anger	7.8

This concern seems to stem from the idea that the situation "is under control" (20 percent) or "partly" under control (40 percent). Only a third of the respondents say that the situation is "out of control" (36 percent). Another third of the population is satisfied (36 percent) with the way in which the problem is being addressed, but more people say that they are "far from satisfied" (28 percent) or "dissatisfied" (21 percent). In addition, 53 percent feel that the emergency measures were not timely, and 56 percent that they are inadequate.

Do you think that the capital city government has pollution well enough under control to prevent it from reaching high levels again, or has pollution gotten out of control?

Response	Percent
Partly under control	39.3
Out of control	30.6
Under control	18.3
Not sure/no answer	11.7

How would you describe the measures that the capital city government has taken this year to combat pollution?

Response	Percent
Appropriate	55.7
Inappropriate	31.5
Useful	51.4
Useless	21.
Adequate	30.2
Inadequate	50.1
Timely	36.7
Too late	53.2

Adding in "not sure/no answer" yields 100 percent

Even though the public is not fully satisfied with the government's response, the specific measures taken to deal with the emergency enjoy consensus support among the population and are viewed positively. There was majority support for expanding the "Don't Drive Today" program to two days (68 percent), and most feel that the measures are adequate (56 percent) and will help overcome the emergency (51 percent). Expanding the program to restrict automobile use bolsters the consensus. People say they are willing to do "whatever is necessary."

By and large, there is no clear consensus about the effectiveness of the "Don't Drive Today" program. One-fourth feel that the program "has been a success," while 20 percent think that "it is a failure." A plurality (40 percent) feel that the program has been "partly" successful. The public feels that the program has prompted the purchase of more cars.

Do you agree or disagree with the extension of the "Don't Drive Today" program to two days?

Response	Percent
Agree	68.8
Disagree	24.5
Not sure/no answer	6.7

It bears noting that polls gauge "attitudes" and can hardly measure or predict behavior. A respondent may tell the pollster that he identifies with the positive

attitude of leaving his car at home, but he will not necessarily do so. A poll can thus gauge a positive attitude toward a serious problem, but it cannot predict whether the respondents who said they held such an attitude will try to avoid the restrictions associated with the measure.

The concern that people have expressed about the government's response (which people acknowledge and agree with, to be sure) does not seem to directly influence their assessment of the authorities. Most say that the emergency and the response by DDF [Federal District Department] authorities to it "have not changed" their previous opinion of the mayor. Moreover, the public feels that the problem is not attributable to the government and acknowledges that while the measures being taken are belated and inadequate, they are measures nonetheless and are deemed appropriate and effective in tackling the emergency. Dissatisfaction clearly stems from the feeling that the authorities ought to take additional measures.

In the wake of the recent measures to combat pollution, do you have a better or worse opinion of Mexico City Mayor Manuel Camacho Solis?

Response	Percent
The same	58.5
Better	19.7
Worse	12.6

As far as capital city residents are concerned, industry is mainly to blame for pollution (39 percent), and the respondents are reluctant to believe that the problem stems from automobile use, as only 12 percent think so. In fact, a third of the respondents (36 percent) feel that motorists have done the most to resolve the problem.

As far as you are concerned, which of the following groups or individuals is mainly to blame for pollution?

Response	Percent
Industry	39.2
DDF mayor	15.3
Secretary of urban development and ecology	12.1
Motorists	11.9
The president	8.3
Adding in "not sure/no answer" yields 100 percent	

Who do you think has done the most to resolve the pollution problem?

Response	Percent
Motorists	35.7
President Salinas	20.2
The mayor	11.4
Industrialists	6.9
Urban development and ecology secretary	5
Adding in "not sure/no answer" yields 100 percent	

The respondents can be grouped into two categories of opposing attitudes. On the one hand there are those who hold moderate views on the issues under consideration, and on the other hand are those who hold extreme opinions on the situation and the people to blame for it.

The consensus views are determined by the moderates. This segment of the public is "concerned" or "uneasy" (70 percent) about the situation and is willing to go along with whatever steps the authorities order to solve the problem. They say that the extension of the "Don't Drive Today" program to two days ought to be kept in place "as long as necessary" or "as long the authorities decide" (58 percent). They agree more with the government's actions and do not blame the authorities for the problem.

The people holding extreme views are "alarmed" or "angered" by the situation, are dissatisfied with the measures taken, blame the government for the situation, and feel that it is out of control. By and large, this segment has more definite opinions; the percentage of "not sure" responses is lower than the average for the total population.

Greater alarm over the situation is not associated with criticism of or complaints about the authorities. On the contrary, those who described the situation in more alarmist terms (for example, saying they agreed with the measures because "you cannot breathe anymore") were more satisfied with the government's response than the moderates.

If you had the opportunity to propose pollution-control measures to the government, which would you propose?

Response	Percent
Remove industries from the valley	12.2
Remove nonlocal cars	5.2
More effective inspections	4.8
Improve public transport	4.1
Prevent cheating in industry	4.1
Decentralization	3.4
Temporary shutdown of industries	2.9
Preserve forests and green areas	2.2
Eliminate cheating in inspections	2.2
Improve gasoline	2.2

El Salvador

Government Employees Begin Nationwide Strike

PA1407172692 San Salvador Canal Doce Television in Spanish 0400 GMT 14 Jul 92

[Text] Despite all warnings, public employees affiliated with the Interstate and Municipal Coordinating Board [Intergremial] staged a strike on 13 July. The strikers did not allow other public employees to work in most government offices.

As had been previously announced, the state employees promoted a nationwide protest as of 13 July. Strong police surveillance was observed at the Finance Ministry and other offices. Some of the employees were at their desks working, while others decided to join the strike and claimed that the demands were legitimate.

The strikers, however, did not like the police surveillance.

[Begin recording] [Unidentified labor leader] They are seeking a confrontation. We, as workers, are going to respond if we are attacked or if they try to arrest us. We demand that Cristiani sit down and negotiate with the workers and try to find a solution to our problems.

[Reporter] How much are you asking?

[Unidentified labor leader] This demand dates back to 1989 when Cristiani rose to the Presidency. We want a 500-colon salary increase. The government does not have a salary policy for state workers. [end recording]

In addition to the salary increase, workers are demanding a 125-percent Christmas bonus, a revocation of the value-added tax, and the installation of the economic and social forum.

In the meantime, the Intergremial marched down to the San Salvador Mayor's Office. Despite President Cristiani's warnings, the strikers blocked traffic and occupied two city blocks.

Juan Jose Hueso of the Salvadoran Workers National Union Federation denied that the Farabundo Marti National Liberation Front [FMLN] is directing the strike.

[Begin Hueso recording] We are not being manipulated by the FMLN. We have our own thoughts and interests. We support the establishment of the economic forum because that is where we will solve our demands for freedom to form unions, to negotiate collective bargaining contracts, and for solidarity. Right now, the Salvadoran trade union movement is being attacked. [end recording]

In this way the country's various unions have begun a two-day protest by taking over certain streets, including Juan Pablo Segundo Avenue.

Cristiani Comments on Demands

PA1407145592 San Salvador Canal Seis Television in Spanish 0030 GMT 13 Jul 92

[Text] President Alfredo Cristiani said on 11 July that the Intergremial [Interstate and Municipal Coordinating Board] cannot use the economic and social forum as a pretext for calling a national strike.

The president said his government is most interested in getting the forum working and has never placed any obstacles before it.

[Begin Cristiani recording] Some sectors could have some problems, and even that is debatable, but the others, the most radical ones, should have no problems at all. First of all, the Farabundo Marti National Liberation Front supports the strike with regard to the forum. The government is ready. The government is not the forum's problem. We have said that we can begin as soon as the forum meets. We are ready to begin at any time. [end recording]

Cristiani said the government's financial problems prevent it from meeting the workers demands. The workers have requested salary increases of up to 500 colones. He did say, however, that at some ministries such as the Finance Ministry, workers received a salary adjustment less than a year ago.

[Begin Cristiani recording] Other groups that are supporting this strike had meaningful salary increases just months ago, not even a year ago, and they are now saying this is a new claim. I do not think that is entirely reasonable. Take AGEMHA [General Association of Finance Ministry Employees], for example. The whole Finance Ministry had an important salary increase late last year. Now, less than a year later, they are the bitterest sector.

I believe some sectors definitely deserve attention. The government has clearly stated that, in light of the financial difficulties, we are doing everything possible to produce savings from the budget and use those savings to improve salaries. [end recording]

The president went to Metapan on 12 July to inaugurate a number of works, including improvements to the potable water service.

Ramon Gonzalez (Ubillaga), president of the ANDA [National Administration of Waterworks and Sewers], and deputies of the Legislative Assembly attended the ceremony.

FMLN Participation Cited

PA1407163992 San Salvador Radio Cadena YSKL in Spanish 1620 GMT 13 Jul 92

[News conference by Presidential Communications Secretary Ernesto Altschul with local reporters and unidentified moderator at the Presidential Palace in San Salvador on 13 July—recorded]

[Text] [Announcer] Due to special circumstances, President Alfredo Cristiani will not meet with the press. In his place Presidential Communications Secretary Ernesto Altschul will answer questions.

[Unidentified reporter] Good morning. My question is about the strikes. How does the government view the first two hours of the strike?

[Altschul] We are pleased to hear, as I said earlier, that 99 percent of government employees are at their posts, traffic flow is perfectly normal, and the country has begun another normal work week. We are still waiting to see what the rest of the day will bring. If this situation continues, we can all go back to our normal activities, which is important for creating the atmosphere we must create throughout the country: an atmosphere of normalcy that will lead to peace among Salvadorans.

[Moderator] Mr. Ricardo Montoya from La Noticia.

[Montoya] Good morning. On 12 July the Farabundo Marti National Liberation Front [FMLN] said it had nothing to do with today's strike. They said there were FMLN members on the Interstate and Municipal Coordinating Board [Intergremial], which is quite normal for them, but that fact cannot be interpreted to mean that the group as a whole organized the strike.

[Altschul] During the week of 6 July we showed you the intelligence reports we have on the matter. The FMLN has definitely had direct participation in organizing such events. Fortunately we made several efforts, starting with a calm yet firm warning from the government that such actions would not be tolerated. Later, important organizations such as Copaz [National Commission for the Consolidation of Peace] also interceded. Copaz issued a communique—which you may have seen in the press this morning—calling on all sectors, particularly the labor sector, to adopt an attitude that will contribute to maintaining a peaceful atmosphere. However, one thing should be made clear: When we speak of the FMLN, we are referring to a group of quasi-union leaders, not of the great majority of Salvadoran workers who are apolitical and usually indifferent to confrontational activities. It is that small group, which the person who spoke on behalf of the FMLN is obviously referring to, that always causes trouble.

[Moderator] Miss Norma Jimenez from TCS.

[Jimenez] You say, or insist, rather, that there is a smoke screen around the strike issue. Which of the petitions presented by Intergremial is the government willing to address?

[Altschul] As the president said in his news conferences last week, he had given all the ministries and government agencies instructions to level wages. We hope to respond affirmatively to all the wage demands. We cannot meet a wage increase of 500 colones, which the unions have demanded, because of budget limitations. The government has requested legislation to permanently legalize the annual bonus for government employees. That is the result of an agreement reached in 1991 in a demonstration of goodwill. An advance payment of part of this bonus was made in January 1992. We find the unions' position on the value-added tax [VAT] contradictory. On one hand they are demanding wage and bonus increases, and on the other hand they will not allow—or are trying not to allow—the government to receive the necessary funding through dynamic and modern means such as the VAT, which would replace the tax stamp. On the economic forum issue, we have continued to encourage the private sector to participate. We have held several meetings with the private sector to ask them to use the forum as a means of negotiating and pressuring these radical groups into changing their attitude. With this, the government has responded with clear and specific actions to almost all the demands which the unions presented as reasons for the strikes.

No 'Regrettable Incidents' Noted

PA1507010092 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 14 Jul 92

[Text] The members of the Interstate and Municipal Coordinating Board [Intergremial] announced their satisfaction with the results that the strike at the different government institutions has yielded up to this moment.

Humberto Centeno said they have made important achievements, such as the creation of a commission formed by government representatives and the workers to negotiate problems confronting several government institutions.

It was also reported that, thanks to mediation by ONUSAL [UN Observers for El Salvador] and the Copaz [National Commission for the Consolidation of Peace], ANEP [National Association of Private Enterprise] has promised to join the economic and social forum after the August vacations.

[Begin Centeno recording] We have tried to get in touch with Mr. Santamaria [not further identified] so that we may form, as soon as possible, a bipartite commission consisting of Intergremial and the government.

During the 11 July meeting with the government, at which ONUSAL was present, the government said we would form this commission. We proposed that this government start working on 15 July to seek solutions to over 12 conflicts existing in the public sector alone.

There are more conflicts and problems in the communities and cooperatives. The agriculture sector has problems because they cannot get credit. However, we hope that the government will give us the names of the persons that will form part of the government delegation to that commission.

We have been very clear with the government. We said, in ONUSAL's presence, that if the government does not

take firm and responsible steps, Intergremial might carry out more activities like the ones held on 13 and 14 July. [end recording]

Except for minor incidents involving workers and authorities in different sectors of the Salvadoran Institute of Social Security, the two-day labor strike called by Intergremial, has been carried out normally and without any regrettable incidents.

Guatemala

URNG Willingness To Resume Talks Noted

PA1407235892 Mexico City NOTIMEX in Spanish 2202 GMT 14 Jul 92

[Text] Guatemala City, 14 Jul (NOTIMEX)—On 14 July, government representative Manuel Conde said that the government of President Jorge Serrano "is pleased with the statements made by the Guatemalan National Revolutionary Unity (URNG) regarding resuming the peace dialogue."

Conde, president of the Peace Commission, ratified the Serrano government's decision to start permanent sessions with the rebels as of 15 July, "very probably in Mexico."

"If the dialogue is not restarted on that date, the government hopes the rebels have not participated for important reasons, and not for lack of political will," said Conde.

Luis Becker, a member of the URNG's negotiating commission, stated in Mexico on 13 July the rebels' disposition to continue the peace talks, although he said the date proposed by the Guatemalan Government was "too soon."

Conde said the government had announced the date on 30 June.

"Becker's statements only show that the URNG leadership has not told him that the Conciliator Monsignor Rodolfo Quezada Toruno delivered the document to them on 2 July," he said.

The government representative ruled out the possibility that the United Nations could eventually become mediators in the peace negotiations, and said the international organization will maintain its observer status.

Conde said the United Nations will eventually have another role when it starts verifying the peace agreements between the government and the rebels.

Serrano on 'Totally Illegal' Workers' Strike

PA1507044992 Guatemala City PRENSA LIBRE in Spanish 14 Jul 92 p 4

[Text] During a 13 July news conference, President Jorge Serrano Elias said that the state workers' strike was not as successful as the workers hoped, and that only a few offices were not open to the public, while all activities remained normal in the interior of the country.

The president said that because most of the workers complied with their duties, he had instructed the Finance Ministry to begin payment of Bonus 14 beginning 14 July.

Guatemala, the president said, has been through a very interesting democratic experience in which the government has voiced its profound respect for the decisions of a state workers' union. He emphasized that according to the reports received from various offices, the government workers' strike was not generalized. He added that most of the employees adopted a responsible attitude and went to work, and therefore the strike movement was partial.

The president reiterated that although this was a partial suspension of work—as only a very small group of workers participated because they were pressured by the unions—the action is illegal, particularly because the government has not denied the right to obtain a salary increase to the workers, technicians, and teachers.

We are also pleased, he said, with the attitude of the people in Guatemala City who expressed their rejection to the strike. In the interior of the country everything was calm and tranquil.

He added that with or without the strike, the government is willing to maintain a dialogue with the workers, but that—as usual—the actions of both the government and any labor group must comply with the law.

He also announced that in view of the support of the vast majority of public employees, the extra Christmas bonus payment—know as Bonus 14—will be paid as of 14 July to all those who pick up their checks at their work centers, with no discrimination.

Meanwhile, Fernando Muniz, spokesman for President Serrano, said that the government workers' strike had been a total failure. He pointed out that Guatemala City residents were able to observe that the majority of the buses covered their corresponding routes.

He added that the reports received by the government disclose that very few groups supported the strike movement. Nonetheless, Muniz pointed out that the government will continue with its doors open for a dialogue with the workers, if they so desire. The strike, he concluded, is totally illegal.

Government Denies 13 Jul Attack on Menchu

PA1407224892 Guatemala City Teleonce Television in Spanish 1800 GMT 13 Jul 92

[Text] During a 13 July news conference, Presidency spokesman Fernando Muniz said the government believes that state employees did not achieve the results they expected from the strike they staged on 13 July.

Muniz said the Serrano regime remains open to dialogue to establish a reasonable wage increase agreement with the labor unions in keeping with the country's economic reality. He said that most state institutions are functioning normally, but conceded that the strike enjoyed some level of success.

[Begin recording] [Muniz] The government has categorized the strike as unjust and illegal, but it will continue the negotiations. Although the strike was illegal and unfounded, the government maintains that salaries must be raised, not only those of professionals but workers at cooperatives, public employees, and the (?passive) sectors also. We will maintain our position of dialogue and negotiation.

I must add that these dialogues and agreements will yield results, as proven by the negotiations with the professionals, which was a huge success for both sides and will benefit the general public. I call upon workers at cooperatives and the general public to support the negotiations and remain reasonable and rational throughout this process.

[Unidentified reporter] How long will the government tolerate this situation before it adopts drastic measures?

[Muniz] As I said before, the strike seems very weak and I believe (?a date for the negotiations will be set.) The information I have is that employees at [word indistinct] are on the job, and also at the Ministries of Government, Agriculture, Education, and other institutions. Partial strikes are under way at the Ministries of Public Health, Communications, Economy, and Labor. However, it is a weak strike and I do not believe it will succeed. Furthermore, the negotiations will yield good results for the general public.

[Reporter] Could one of the measures adopted be the retention of the [word indistinct] bonuses that are to be distributed on 15 July? Have you considered this?

[Muniz] (?The executive branch has adopted that measure.) Legally speaking, those who work or are at their workplaces, are entitled to receive fully the [word indistinct] bonus. Those who are absent or have been dismissed, of course, are not entitled to receive bonuses. It would be a totally legal measure and I would like to take advantage of this moment to ask the workers to receive their [word indistinct] bonuses, go to work, and continue the negotiations with the executive branch. It is an eminently legal measure: anyone who fails to show up for work or is dismissed is not entitled to the bonus.

[Reporter] Regarding the sabotage on Mrs. Rigoberta Menchu's caravan on 12 July in Chimaltenango, Menchu's camp has accused the government of the incident and says it was prompted by her nomination for the Nobel Peace Prize.

[Muniz] We fully respect a nomination of this nature and would not carry out such a silly and absurd sabotage as the one yesterday. We are pleased that two Guatemalan women have been nominated for the Nobel Peace Prize: Elisa Molina and Rigoberta Menchu. We are awaiting the decision of the prize's tribunal. The government cannot have such a silly and absurd sabotage policy; the government respects the nomination and believes it will be beneficial for Guatemala to have two candidates, either of whom may win the award.

[Reporter] Who do you think carried out the sabotage on 12 July?

[Muniz] A figure like Rigoberta Menchu or any political figure can arouse contradictions in any country in the world. Such individuals encounter people who are either against them or favor them. Disagreement with Rigoberta can come from anywhere, it does not necessarily have to be from the government. A public, controversial, and internationally known figure like Rigoberta can encounter differences, sabotage, or misunderstandings. However, I totally deny that the government perpetrated the attack.

[Reporter] Army troops [words indistinct] because tapes and papers were found in Chimaltenango that make them appear as members of the URNG [Guatemalan National Revolutionary Unity], which they flatly denied.

[Muniz] It would be irresponsible of the government to cause such a boycott. Besides, as I said before, the government cannot devote its time to the nonsense and absurdities some people are trying to get it involved in, as they attempted to do in the past. The government respects Menchu's candidacy, and is pleased that two Guatemalan women have been nominated for the Nobel Peace Prize. I totally deny that the executive branch or the Army would engage in such activities. [end recording]

'Concern' Over Mexican 'Guerrilla' Actions Eyed

PA1407230992 Mexico City NOTIMEX in Spanish 0007 GMT 14 Jul 92

[Text] Guatemala City, 13 Jul (NOTIMEX)—Peace Commission President Manuel Conde Orellana told NOTIMEX on 13 July that the Guatemalan Government had expressed its concern to the Mexican Government over the involvement of Mexican citizens in Guatemalan guerrilla actions.

Conde Orellana, who met with Mexican Foreign Secretariat officials last week, asserted the meeting strengthened communication between both governments so as to avoid future problems.

The official, who is in charge of the peace negotiations with the Guatemalan National Revolutionary Unity (URNG) guerrillas, noted that Mexican citizen Flor de Maria Zapata had been killed on 6 July during a clash between the guerrillas and the Army at the Tojalik hamlet in Quetzaltenango, 206 km west of Guatemala City.

Conde Orellana said they found a passport, issued by the Mexican Foreign Secretariat on 22 January 1991, on Zapata.

Zapata, along with other rebels, clashed with a patrol from the military zone No. 1715. When she was killed she was wearing "camouflage" clothing and was carrying an AR-15 rifle, a harness, a belt, two bags of ammunition, four cartridge boxes, and a canteen.

The body of the alleged Mexican guerrilla, who was 33 years old, was buried in the Quetzaltenango general cemetery. Unofficial sources have reported, however, that the Mexican Consulate, located in the Guatemalan border town of Tecun Uman, will request the exhumation of the body so it can be sent to Mexico.

Flor de Maria Zapata is the third Mexican, allegedly linked with the Guatemalan guerrillas, who has been killed this year.

The first Mexican killed in a clash was Ramon de la Mora, who fell on 28 February during a clash with the Army at Finca Candelaria Xolhuitz, 222 km southwest of Guatemala City.

Initially, the political and intellectual sectors of the southern Mexican Chiapas State, rejected reports that Ramon de la Mora was linked to the guerrilla. However, the Guatemalan Government officially announced that De La Mora was a member of the Guatemalan Revolutionary Organization of the People in Arms.

The Army's Information and Press Department has reported that the other guerrilla member who died in combat was Mateo Perez, who carried an ID card from the Federal Electoral Institute in Palenque, Chiapas.

Peace Commission President Conde Orellana regretted that Mexican citizens "participate in the URNG's sterile struggle."

Nicaragua

Students Protest Outside Assembly Building

PA1407193692 Managua Radio Sandino in Spanish 1830 GMT 14 Jul 92

[Report by Elizabeth Romero]

[Text] University students left the Supreme Court of Justice building and are now standing around the National Assembly building. They threw stones and eggs at the building and smashed some windows. They also burned some tires. There is a big cloud of black smoke outside the National Assembly building. Most of the students have gathered outside the building's main entrance to protest the fact that the Supreme Court has not issued a ruling [on an amparo presented against the executive branch for not allocating an amount of the national budget to the national universities]. According to authorities, the National Assembly has put some obstacles in the way of the ruling. Riot police are cordoning off the area. We are starting to hear mortars and bombs. We expect to hear the police hurling tear gas at any minute. There is no telling what may happen here. The students are angry because the court has not issued a satisfactory ruling.

Riot Police Evict 150 From Land in Masaya

PA1507034092 Managua Radio Sandino in Spanish 1830 GMT 14 Jul 92

[Report by Alejadro Cruz from Masaya]

[Text] On the morning of 14 July, 40 riot police evicted approximately 150 people from an area of six manzanas they were occupying on the outskirts of Masaya. The riot police attacked and beat up some people, mostly women. In addition, the riot police arrested three comrades of the departmental coordinating board of the different social sectors of Masaya. The names of the arrested comrades, who are currently in the Masaya National Police jails are: Josefa Guadamus, 35; Manuel Cano, 35; and Roberto Gonzalez.

Meanwhile, this Radio News reporter visited the area where the eviction took place. There are approximately 40 to 45 riot policemen surrounding the six manzanas of land. There also is a great number of peasants and residents who are outside the property.

It should be pointed out that this property is located half a kilometer from the entrance to Masaya. These six manzanas are known as San Fernando. With us here are some community leaders:

[Begin recording] [First unidentified community leader] We maintain our position of remaining on this land, because we signed agreements which have not been observed by the mayor and the [word indistinct]. Therefore, we decided to re-enter this land, because these agreements were annulled.

Now, there are approximately 45 policemen in the area, while around 200 people are here demanding that the property be returned. In addition, 20 minutes later, comrades Josefa Guadamus, Manuel Cano, and Roberto Gonzalez were taken away. [sentence as heard] We are not going to leave these premises until our comrades are liberated. We will maintain our position of remaining here until we receive a positive response from the authorities. We have been waiting for a response for 25 days, while the mayor [words indistinct] agreements have been violated.

[Second unidentified community leader] We want to buy this land. We do not want to steal anything. We are poor people who need housing for our children and their future, not for us. We need that [words indistinct] our comrade Josefa Guadamus. We do not want to steal this land. We want to buy it. [end recording]

Those are statements by the residents who are still on the road that leads to Granada, where at about 1000, riot police from Region Four evicted the residents.

Finally, at this time, a large number of Masaya residents are standing outside the National Police station demanding the release of the three individuals that were arrested.

Lacayo Denies Being Under Investigation

PA1407233992 Managua BARRICADA in Spanish 14 Jul 92 p 8

[Article by Guillermo Cortes Dominguez]

[Text] Presidency Minister Antonio Lacayo was interrogated for over one hour on 13 July, during which Comptroller General Guillermo Potoy and other comptroller office officials asked him at least 10 questions.

The Presidency minister assured: "I do not feel I am under investigation," while he promised that whoever is found guilty in the FASO [Social Care Fund] $400,000 corruption case will be punished.

Lacayo said that if the Comptroller's Office finds Antonio Ibarra, former deputy minister of the Presidency, guilty, he will be "extradited" immediately in line with treaties between Nicaragua and the United States.

Although Lacayo had been Ibarra's direct superior, he distanced himself from the investigation when, in response to the comptroller's questions, he replied that FASO funds were handled solely by the deputy Presidency minister, following the president's orders.

The questions were direct and to the point: "When did you learn of the corruption charges against Antonio Ibarra? What did you do when you learned of these charges?"

Lacayo was also questioned on the role of the ad hoc commission created by the government to investigate the so-called "chicken scandal" involving Ibarra and Noel Vidaurre, then deputy minister for economy and development.

Lacayo, raising his voice slightly, was visibly annoyed by reporter Filadelio Martinez's questions when he asked if Lacayo felt he was under investigation. Lacayo replied he did not feel he was being investigated and said he had appeared as a guest, in an effort to clear up the matter.

Even though Lacayo promised Ibarra's immedite extradition, should the Comptroller's Office find him guilty, the matter would pass to the Attorney General's Office, where it will be determined whether the evidence presented by Potoy merits the opening of a case.

As prosecutor, the Attorney General's Office would then have to present the accusations before a common court and only if this court finds Ibarra guilty can the government initiate extradition procedures.

Lacayo said the government is keen on the Comptroller General's Office demonstrating that it can perform so that it can get to the bottom of the corruption charges and find the guilty parties. In this way, the administration will not be marked by their dishonesty, he noted.

"There is great interest" to hear the Comptroller General's Office ruling, Lacayo added. To close this case, the Comptroller General's Office has one more hearing pending.

Lacayo has broken off completely from his once close associate Alfredo Cesar, leader of the Social Democratic Party, of which the comptroller general is a high-ranking member.

Lacayo said it is not up to him to decide on the comptroller general's qualifications. When asked if he believed in Guillermo Potoy's impartiality, Lacayo replied: "The ruling will have to be based strictly on the truth." The other questions were lost in the wind, because Lacayo took off.

Germany To Consider Pardoning Military Debt

PA1407125492 Managua LA PRENSA in Spanish 11 Jul 92 p 6

[Report by Roger Suarez]

[Text] Foreign Cooperation Minister Erwin Krugger announced after meeting with a finance commission of the German legislature that Nicaragua owes that European country $800 million.

He added that 45 percent of the $800 million debt was acquired through military equipment purchases.

Krugger made the announcement after members of the German commission met with President Violeta Chamorro.

The German commission, which is headed by Herman Rind, notified President Chamorro that the German legislature will study an initiative to reduce Nicaragua's debt.

"They assured us that the German legislature will approve an initiative to pardon a debt acquired in financing military equipment," Minister Krugger said.

The members of the commission visiting Nicaragua said they will support the initiative to reduce Nicaragua's debt when it is discussed by the German legislature.

The Sandinist government received military aid from former East Germany during the past decade. Now that Germany is unified, the German Government is willing to pardon that military debt.

Krugger said talks with the German Government will be held soon to determine the exact amount of the military debt acquired by the previous government.

Minister Krugger said "we will continue negotiating" the rest of the debt, which totals more than 60 million German marks, with that European country. The minister described German cooperation with Nicaragua as "good."

* F. Guzman on Center Group, FSLN Acceptance

92CA0179A Managua LA PRENSA in Spanish 14 Jun 92 pp 1, 11

[Interview with FSLN Center Group member Fernando Guzman by Emilio Zambrana; place and date not given—first six paragraphs are LA PRENSA introduction]

[Text] A few years ago no one would have thought of calling for the democratization of the FSLN [Sandinist National Liberation Front] and publicly criticizing the mistakes and excesses it committed while in power. There began to be talk of dissident Sandinists who had supposedly been purged by the then all-powerful National Directorate in the 1980's.

Today, after losing power, the FSLN is faced with sectors or groups of Sandinists who seek to "modernize" the party in the search for a National Project. The task is a difficult one because the party still includes orthodox political thinkers who do not want to open up to the democracy that Nicaraguans have begun to breathe.

Nevertheless, a group of Sandinists has formed the so-called Center Group, which was originally seen as an ideological heresy within FSLN ranks, and is gaining strength because of its straightforward call for a National Project and its emphasis on the urgent need to abandon dogmatic, totalitarian stands of the Sandinist past.

One of the members of the FSLN Center Group, Fernando Guzman, has granted an exclusive interview to LA PRENSA. In it, he addresses a range of issues in plain language, from the formation of the group and the harsh criticism it received by Tomas Borge to the tacit support from other members of the Sandinist leadership for the group's proposals, as well as other topics.

The 44-year-old Guzman was our ambassador to the Republic of Argentina between 1986 and 1988 under the Sandinist regime.

He is a graduate of the University of Austin, Texas, [as published] in economics and business administration and from the time that the Sandinists assumed power until their defeat in the February 1990 elections held posts in the financial sector, eventually becoming president of the National Bank, vice president of the Central Bank, and a member of the Sandinist economic cabinet. Here is the interview.

[Zambrana] A few months ago there began to be talk about a "Center Group" inside the FSLN. What has been the group's role up to now, and what role does it expect to play in the political future of Nicaragua and the Sandinist Party itself?

[Guzman] In the first place it should be clarified that the group that has come to be called the "Center Group" actually describes itself as a progressive group within the FSLN. The name "center" has been attached to it because we have proposed as the only solution to the national crisis the development of a comprehensive accord that spells out an agenda for all Nicaraguans to save the country before the end of the century.

The group has not arisen with any intention to confront the party. We began to reflect with a group of friends about the country's crisis and the party's crisis, and we found that the party did not have the mechanisms that existed in the past to discuss the problems, that (given its official structure) it was becoming difficult for it to react more pragmatically to the events that we are living through.

We understand that there is a problem for those who have a responsibility to preserve the purity of the principles that govern the organization. While we are not against those who cling to somewhat conservative attitudes within Sandinism, we have come out publicly and proposed new approaches to them...and when we do so, we obviously know that the proposal goes beyond Sandinism.

We have proposed that the hub of the FSLN's political activities ought to be the search for a broad national and progressive program that does not clash with conservative Sandinism.

We want to build a new nation by assimilating and accepting our history, while choosing not to repeat the fratricidal confrontations of the past and, moreover, hoping that we will be joined even by the sectors that want to return to the past and believe that the solution for the country is for one group to eliminate the other. History has shown that this is not possible. We have to depoliticize ourselves somewhat.

[Zambrana] When you talk about the conservative attitudes of FSLN members who do not accept the political conduct of a progressive faction within the party, are you setting "conservative" Sandinists against "liberal" Sandinists?

[Guzman] Conservatism exists in ideology and attitudes. When we talk about a conservative Sandinism, we are thinking both about those who cling ideologically to positions that ought to be left behind and about others who, probably with good intentions but for attitudinal reasons, are not seeking other methods of struggle to achieve the same goals. So, by clinging to these positions of the past, some Sandinists within Sandinism do not want to move forward with the democratic program that we have accepted for the country. This is a nation (if it wants to be one) that will not be based on either Somozism or Sandinism or anti-Sandinism but rather on

the historical experience that we Nicaraguans are living through and that we must assimilate. There is no further description of the Center Group. No one has said anything serious to us, except for some who have focused more on short-term, very subjective, and even emotional aspects of the group. But when we have spoken with party leaders, we have called for an acceptance of our proposals, which perhaps they would like to endorse but have not as yet.

[Zambrana] The FSLN was severely criticized for its two-sided ideological discourse while it was in power. There were those who branded it a party with a "laboratory of ideologies." Based on this, how do you explain what you call the absence of an ideological identity within the FSLN and the growing dissident faction within its ranks?

[Guzman] Correct. Sandinism has always defined itself as socialist, as a type of socialism. In other words, it has never officially described itself as Marxist-Leninist, although its leaders have a Marxist-Leninist grounding. But during conversations in confidence within Sandinism, there was always internal debate on the extent to which Sandinism possessed these traits (some said that it did), but an official statement was never made.

[Zambrana] If the FSLN defined itself as an ideologically "pure" party of the masses, why did it postpone or sidestep a discussion about its ideological underpinning?

[Guzman] Because there was a realization that a good many Sandinists in Nicaragua really did not know what Sandinism was but did know what it meant to be a Sandinist. I think that in these times of world ideological crisis this gives us a great opportunity to prevent the FSLN as a party from suffering the debacle that the Marxist-Leninist parties throughout the world have suffered.

Even the Socialist Party in our country, which defined itself as Marxist-Leninist, recently made an adjustment. So we can say that Sandinism is an ideology, a very specific, very national philosophy that defends sovereignty, social justice, and the narrowing of differences in Nicaraguan society, that wants development for the country, that wants honest and efficient government, and that today clearly accepts and acknowledges the validity and importance of individual freedom, of private enterprise, the laws of the marketplace....

[Zambrana] So then, what and who is Sandinism in ideological terms?

[Guzman] This is the discussion that the FSLN and its leaders have not yet chosen to tackle.

Look, the electoral defeat and the loss of power was a shock to Sandinism. It happened when the world ideological crisis arose, when the Soviet Union and the Eastern European socialist countries disappeared. To enter into a theoretical discussion about Sandinist ideology at that juncture could have been more negative than positive for the FSLN itself and for the country.

It seems to me, rather, that what has prevailed is the idea of devoting efforts to a regrouping of the party and, furthermore, to the search for the specific tasks that a Sandinist can and must perform. A Sandinist who lived in the underground to destroy the old system and was then part of the government and the State must live today, I feel, to build a new society. So, we are talking about a Sandinism that is adapting to life in a society without being involved in the power structures.

Now you find a majority that lives like you and me, within this society, trying to meet personal and family needs and to find a way to devote their efforts and input to meet the nation's needs. The latter has not been addressed in a clear, head-on way, and this is what we in the Center Group are promoting.

[Zambrana] Broad segments of the Nicaraguan political class have voiced their opinions from different perspectives on the emergence of the Center Group. Some of them expressed favorable views. Within the FSLN, however, there were those, including Tomas Borge, a member of the National Directorate, who even hurled insults at the people who formed the Center Group. Now that several months have passed since the formation of the group, has the FSLN accepted the idea of democratizing the party?

[Guzman] The both positive and negative reactions at the time of our group's appearance had to do more with the fact itself than with the substance of what we were proposing. You see, we made a proposal that was never discussed either by the people who were sympathetic to our group or by those who found fault with it.

The fact is that it was practically a historic development within the recent history of Sandinism that there should appear a group that, while being Sandinist and acknowledging its structures, offered a public proposal to the nation and to the party without its having been discussed or authorized in advance by the FSLN's leadership bodies.

[Zambrana] Is this a characteristic of the top-down leadership style of the Sandinists?

[Guzman] Exactly. However, our proposals broke with this top-down leadership style. So, when we broke with this way of running the party, which was something that many wanted (it was even becoming accepted without turning into a tactic), it was like an explosion in this country's politics.

The people who criticized us said that we had dared to question the FSLN leadership before consulting with party leaders. But as I told you, there was no public condemnation from the FSLN; there were just personal and extremely objective comments. But we are at the

stage of conversing with members of the party's National Directorate, and we are finding that our proposals are being accepted.

What the National Directorate had criticized us for is that we were acting outside the party and were not authorized by them. For example, Commander Daniel Ortega had harsh words for us; yet his criticisms were not directed at the group as such, but were personal in nature. Although he does not agree with everything that we are proposing, he does acknowledge the group's legitimacy and the opportunities that the group is offering to the party and the country.

[Zambrana] How did the Center Group receive Commander Borge's stinging criticisms?

[Guzman] Tomas had harsh words in public for the Center Group. Then came a private response from Dr. Rafael Solis Cerda, a response whose form was not what we had wanted. What we are seeking is precisely to raise the level of the political debate. If I attack in a base way, they respond to me in kind. So we had to make some clarifications about what happened between Commander Borge and Dr. Rafael Solis Cerda. I feel that a Sandinist who works for the police is as much a Sandinist as one who is fighting with the trade unions over a labor problem, and all of a sudden, you find them there at odds. Is one more Sandinist than the other? I do not think so. Of course, the one who feels affected may not think that way, but here is where the leadership's responsibility comes in, in trying to explain that owing to the complexity of the present situation, the reactions and the political functions are different from what they were in the past.

[Zambrana] Do you think that under the current circumstances facing the government, which has no clear party support, the formation of a national political group that provides advice and backing to the government in politics could make a positive contribution to the stability of Nicaraguan society?

[Guzman] I do not fully understand the question. I do understand the concern, though. I think that this government lacks a group to lend it political support. On the one hand, this has been beneficial in a way, because it has enabled it to act with great freedom, without political ties to parties, but the fact that it may have done more good than harm applies only to these first two years in office.

Society in general and in its political manifestations in particular does not operate on the basis of rulings or decrees. There have to be conveyer belts and a minimum of structures. I am not saying that they have to be the parties of the past...How should I know...Some sort of structures that are rooted in society and give the government basic support to carry out its agenda.

The problem is that this would mean that the government ought to pay more attention to the sectors or groups that would lend it that support, that backing. The government must realize this.

[Zambrana] What sort of groups would these be?

[Guzman] I do not think that they would be professional groups, politically speaking. I do not think that the point is to create a new group. What I do think is that the government ought to move more quickly to build consensus with different groups and then reach an agreement that would enable it to carry forward its government program, but more in keeping with the idea of an overall agenda. For example, in this government I see officials who are perhaps trying to do their job in earnest but are certainly not in tune politically with the philosophy of this country's president.

[Zambrana] The usual academic view is that political parties are the bridge between society and the government that is elected. Do you think that at present the parties or the political groups, as that bridge, are conveying their actual perception of reality to the government or merely the perception of their leaders?

[Guzman] Political parties in Nicaragua are going through two processes that are affecting them deeply. One is the worldwide ideological crisis that touches all of them. Another is the scarcity of proposals from these parties, because all of them have failed. The classical-liberal, the conservative, the socialist, the Social Christian proposals have failed..in a word, all of them have failed. So we are all scrambling around trying to see what we can offer Nicaragua today that is really new. This is a problem.

The other problem is that we can see a unique phenomenon in our country, as the FSLN was convinced that it had raised the Nicaraguan people's consciousness about our agenda. It turned out that 60 percent of Nicaraguans showed us that this was not so.

I am not debating here whether it was because of the war, because of the United States...There is one specific fact here: 60 percent of the Nicaraguans said: "You guys are not giving us the answers we want." So uncertainty arose within the FSLN. How to maintain this revolutionary mission without betraying these interests but while adapting ourselves to this reality? On the other hand, however, there are the parties that grouped together in UNO [National Opposition Union]. What happened to those parties? The fact is that they were not organized, nationwide parties, except for one or two of them; therefore, they cannot be a bridge between society and the government.

[Zambrana] Factions of the parties that belong to what is still usually called UNO argue that the FSLN has a share of power in Mrs. Chamorro's government and that the Army remains its armed wing. They also contend that this hampers a possible understanding with and support for the government on the part of their coalition. In your judgment, is this really the case or is it just an argument to conceal vested interests?

[Guzman] This is very important. They say that there is a rapprochement between General Humberto Ortega and the Army. My question is: If this army is supposed to support the government, as the Constitution says, then why do these people conclude that they have to fight this army because its makeup is Sandinist? Clearly, however, with each passing day the EPS [Sandinist People's Army] is putting its status as a national institution for the defense of our country's interests above the specific, particular interests of Sandinism at any given moment.

But there is also a rapprochement between the Sandinist bench in the National Assembly and the Executive Branch. It would seem that the FSLN bench understands the problems of government better than the people who have not been in the government. This may be why the UNO people take stands that are more in direct opposition to this government. There is also agreement on the proposal for a National Reconciliation, which is well-suited to moving this country forward. I see this as a healthy rapprochement for Nicaragua.

[Zambrana] The rapprochement between the FSLN and the government that you are talking about has prompted harsh criticism in UNO ranks, because they say that they brought Mrs. Chamorro to power and now "are not being taken into account." What do you have to say about these assertions?

[Guzman] They are wrong. It was not the 14 parties of UNO that took Dona Violeta to the Presidency. It was non-Sandinism and the presence of a lady who gave the people an opportunity to unite around her. This led to the defeat of the FSLN.

[Zambrana] Could we say that the Center Group in the FSLN is a majority?

[Guzman] That depends on what you are talking about. If you are talking about our group, which consists of 30 or 40 people who get together and decide on some action and draft a document, then obviously it is a very small group. But if you are talking about a group like the ones that unofficially, informally represent a school of thought within Sandinism, then I would say that this is a majority, and I say so without fear of error. Even some of the members of the National Directorate agree with our proposals, which for other reasons they cannot endorse or defend the same way we do.

[Zambrana] It is my understanding that on the Sandinist bench there are people who sympathize with and even belong to the Center Group. Is this true?

[Guzman] Some members of the Sandinist bench have signed our document, and many more share our views without having signed the document. Among them are Sergio Ramirez and Dora Maria Tellez, with whom we have spoken and found much common ground in our analysis.

[Zambrana] The first meeting of Center Groups in the country has been announced for the weeks to come. It will be attended by groups from political parties, groups not in Congress, and business groups. Would the FSLN Center Group, in which you are active, be willing to attend this meeting?

[Guzman] We have met with various political groups in the country. Most of the time we do so as individuals. We have chatted with UNO centrist deputies, with the Convergence Movement, and with a group from the Socialist Party.

Over the next few weeks we plan to hold informal talks with these groups in the search for a National Program. I want to make it clear that what we want to do during this phase of the Center Group is to see how they think and to make our positions known, to contribute ideas in the search for that broad National Program for Nicaragua and for all Nicaraguans, without exclusions.

Panama

Authorities Arrest Frasco, Modesco Members

PA1407204192 Panama City Telemetro Television Network in Spanish 1730 GMT 14 Jul 92

[Text] The Attorney General's Office arrested on 14 July two representatives of the Broad Front for the Rescue of Colon [Frasco] and the Movement of the Colon Province Unemployed [Modesco] for questioning in connection with a death that occurred during last week's incidents. Here is Lucy Molinar with more:

[Begin recording] [Molinar] Colon Mayor [Alcibiades Gonzalez], could you explain why the people were arrested in Colon, and what is their status?

[Gonzalez] Of course, Lucy. Thank you for the opportunity. Following the incidents in which Miss Calonge Ibarra unfortunately died, the Attorney General's Office ordered several arrests so people could be questioned to ascertain their responsibility for the street closures and the destruction of public and private property, in addition to whatever responsibility they might have regarding Miss Calonge Ibarra's death. I understand...

[Molinar, interrupts] Mr. Mayor, the question many people ask is: Why did the police fire bullets?

[Gonzalez] Lucy, I would not say the police fired bullets. I say we must wait until the Attorney General's Office and the Judicial Technical Police [PTJ] conclude their investigation. We must understand that the police have been fired upon on other occasions, and two public order agents sustained .38-caliber bullet wounds in previous incidents. I do not want to imply that a policeman or a Public Force member could not have fired a weapon, which then resulted in the young woman's death. But we must let the Attorney General's Office and the PTJ conduct an investigation—an honest investigation—to determine who fired the bullet, who is responsible, and how much responsibility must be attributed to the Public Force or the Modesco members, who were firing their

weapons. We must do those things before making accusations, as certain people have done.

[Molinar] Mr. Mayor, how many people have been arrested?

[Gonzalez] As far as I know, based on the information I have received, two persons have been arrested—a member of Frasco and a member of Modesco.

[Molinar] Do you have their names?

[Gonzalez] I do not have their names right now. I have only received reports that two persons were arrested. Because this is handled directly by the Attorney General's Office, I have received no information, and the Attorney General's Office has no obligation to provide me with any information. In fact, we will make the appropriate calls to learn what progress has been achieved in the investigation, because this is not a persecution or a witch-hunt. This is simply an effort to ascertain responsibilities, but following the arrests carried out in the course of an investigation, people are talking about demonstrations after noon. I think this is tremendously irresponsible. Simply and sincerely, when authorities try to do their jobs, the people talk of anarchy, which only results in the destruction of what we have in Colon and what we are striving to defend.

[Molinar] O.K. Thank you. [end recording]

Modesco Members Block Colon Street

PA1407210992 Panama City Radio KW Continente in Spanish 1952 GMT 14 Jul 92

[Report by David Perez—monitored in progress]

[Text] ...Reinaldo Douglas, a leader of the Movement of the Colon Province Unemployed [Modesco], and Roger (Amordi), leader of the Broad Front for the Rescue of Colon. The Second Circuit Court issued a warrant for the arrest of these men, as well as for the arrest of other leaders, in the wake of events in Colon last week that claimed one life.

These men were arrested and remanded to the Second Circuit Court, Colon District. Meanwhile, we have learned that the legal office of the People's Human Rights Commission in this city has gone to the Second Circuit Court to obtain the release on bail of these two leaders. In addition, we can report that Colon Governor Alfredo Ehlers called a meeting of the Top Level Commission at 1400. Here is the governor:

[Begin recording] [Ehlers] We cannot go on like this any longer, or else our plans, projects, and job bank will fall through.

[Perez] There are warrants for the arrest of these leaders. Can they be arrested here in the governor's office?

[Ehlers] There are no warrants for the arrest of the people who attend the meeting. I summoned those whose arrest is not sought.

[Perez] Who are they?

[Ehlers] [Name indistinct] and Ochoa [not further identified].

[Perez] What is your stance, now that these two leaders have been arrested?

[Ehlers] To forge ahead with our plans to develop some projects, some of which are very important and necessary for the province, and begin to generate jobs for the people. [end recording]

[Perez] The governor noted that he asked the executive to grant a 45-day extension for the submission of projects that can be implemented in this city with the $15.9 million the executive recently approved. To conclude, we can report to our listeners that Modesco groups have gathered in the 10th Street area, their traditional gathering point, outside the San Jose Church. In protest, they blocked the street and tossed garbage cans in the streets. They also set tires on fire. If the two leaders are not released by 1500, they will hold a demonstration along the city streets.

Leaders' Arrest Protested

PA1507022492 Panama City Circuito RPC Television in Spanish 2300 GMT 14 Jul 92

[Excerpts] Reinaldo Douglas, the main leader of the Movement of the Colon Province Unemployed [Modesco], remains under arrest while new protests have been announced for 15 July. On 14 July, members of Modesco and of the Broad Front for the Rescue of Colon [Frasco] staged a demonstration when they marched from the San Jose Church to the police station where their leaders are detained.

Major Milton Castillo, the Colon police chief, met with the demonstrators and allowed a group of them to talk with Reinaldo Douglas, the Modesco leader who was arrested this morning, charged with leading the demonstrations during the week of 5 July. [passage omitted]

With their main leaders in jail, Modesco and Frasco are preparing to intensify their protests beginning 15 July. In the meantime, the government's answers to the people are delayed, and if this continues, Colon will continue to be an area of conflict.

Meanwhile, Colon Mayor Alcibiades Gonzalez said on 14 July that Reinaldo Douglas and Roger (Amord), leaders of the Colon people, will have to remain under arrest to answer charges before the authorities.

[Begin recording] [Gonzalez] Good evening, [news director] Julio Miller and television viewers. Actually I am very confused by Roberto Troncoso's statements, who is also from Colon [and president of the Human Rights Committee], on what is happening in Colon.

Troncoso knows perfectly well that on several occasions the criminal charges against Modesco members have been lifted for the sake of restoring peace in Colon.

Modesco people are anarchic and they insist on their anarchic actions on the streets. As a result, they caused the death of a woman who had nothing to do with their actions.

I cannot understand Roberto Troncoso when he says that the arrest of the leaders will worsen the problem. Actually, the problem is that sometimes we are too soft in applying the law. The day when all public officials in this country decide to apply the law, regardless of who is punished, that will be the day when we all will be happy again in Panama, because we will all have learned to respect the law and human rights. The Modesco people have as much right to their human rights as the rest of the people of Colon who want to live in peace.

[Reporter Miller] Will the leaders of the Colon people be released? What do you say about that?

[Gonzalez] I maintain my stand, Mr. Miller. I insist they answer the charges to the law. If the attorney general's office feels their arrest is uncalled for, then they should be released. Personally, I am not going to lift the charges that include blocking public streets, destroying public and private property, and endangering the lives of pedestrians. These leaders are also to be blamed for having called a demonstration where a young woman named Calonge Ibarra was killed.

[Miller] Thank you for your statements. [end recording]

Endara on Arnulfist Party Problems, Dismissals

PA1507004292 Panama City Telemetro Television Network in Spanish 1730 GMT 14 Jul 92

[Text] After a three-hour meeting President Guillermo Endara and Mireya Moscoso de Gruber, the president of the Arnulfist Party [PA], announced that there are no differences or crises.

[Begin recording] [Endara] Not only the PA has been strengthened but the government as well, because the government is a coalition, but the backbone of the government is the PA.

[First unidentified reporter] What about the dismissed employees?

[Endara] We did not talk about that issue.

[Second unidentified reporter] Why did you not speak about that issue?

[Endara] We did not talk about it.

[Reporter] Why, then were they fired?

[Endara] That is a different matter.

[First unidentified reporter] Mrs. Gruber, are you satisfied with the meeting?

[Gruber] Of course. We are very satisfied with President Endara.

[Second unidentified reporter] Why have there been differences between the grass roots of the PA and President Endara during recent months. You have been clear in saying, on several occasions, that you are the president and there will be no changes in the cabinet.

[Endara] That is correct, and I gave all PA leaders an explanation of my position as president, and I must say that I received the party's support for that explanation.

[Reporter] There will be no changes then?

[Endara] There will be no changes. [end recording]

With regard to the influence the party's president has on his government, Endara said:

[Begin recording] [Endara] Mrs. Mireya de Gruber is the president of the PA, which is the backbone of the party [as heard] and her recommendations are very welcome; what is more, she made a recommendation today.

[Unidentified reporter] What did she recommend?

[Endara] She suggested a replacement for Mr. Salazar, the former director of the President Remon Racetrack, who passed away recently. I found her suggestion to be excellent, and I am going to make the appointment official this very afternoon.

[Reporter] Who is it?

[Endara] The new director will be Gabriel Zarak.

[Presidential Press Secretary Rene Hernandez] Thank you colleagues, very much....

[Reporter, interrupting] Mrs. Gruber, does this meeting at the Presidency put an end to the saga of the differences between the president and the PA?

[Gruber] There have never been differences between us and the president.

[Reporter] How then, do you justify what happened on Sunday [12 July] at the directorate meeting? Why do you not meet first, instead of having these problems among the members of the directorate?

[Gruber] The Arnulfists always meet and talk. This is not the first time, nor will it be the last.

[Reporter] The first lady described the problems between the Arnulfists as a fight between husband and wife. What is your opinion on this?

[Gruber] This is a marriage that will never be divorced.

[Reporter] Fights, but no divorce? [end recording]

Leadership 'Differences' Emerge

PA1507000192 Panama City LA PRENSA in Spanish 14 Jul 92 p 2A

[Report by Manuel Alvarez Cedeno]

[Text] Differences within the leadership of the Arnulfist Party [PA] came to the fore yesterday when President Guillermo Endara Galimany dismissed two PA leaders, an action which activists of the ruling party described as "dictatorial."

Endara dismissed journalist Elsie de Mackay, who was serving as press chief for the Health Ministry, and Alicibiades Vasquez, who was deputy administrative director of the Metropolitan Hospital complex. Mackay heads the PA Executive Committee in San Francisco District, and Mr. Vasquez is the secretary general of the Panama City Directory.

The top PA leaders, including President Mireya Moscoso de Gruber, met last night to analyze the situation that, according to different political sources, could lead to a profound rupture within the party. The meeting began at 1830 and lasted past 2200.

The dismissals came one day after 200 members of the Panama City Council issued a statement demanding that Endara give "greater participation" to its party members in the government. On Sunday, 12 July, the delegates also issued a communique, giving their "unrestricted support" to PA President Gruber, who on repeated occasions has asked Endara to hire more PA members, something the president has not accepted.

In succinct resolutions, which do not mention reasons, Endara informed the PA leaders of their dismissals. It was unofficially stated that at least 15 PA members could also lose their government jobs.

Endara met at the Presidential Palace on the morning of 13 July with PA ministers Juan Chevalier, Alfredo Arias, and Guillermo Rolla to discuss the situation.

When questioned by the news media, Chevalier said "some not very clear remarks have been made, and this calls for a meeting of the party's directorate to clarify matters and determine the party's stance." In April 1991, Endara expelled the majority Christian Democratic Party, losing the support of its 28 legislators.

Meanwhile, Gruber avoided making statements before entering the meeting of the National Directorate and the Consultative Board, the PA's top bodies. Attending that meeting were Education Minister Marco Alarcon, Rolla, and Bolivar Pariente, deputy planning and economic policy minister. Hector Panalba, former chief of the General Directorate for Community Development, however, described Endara's attitude as "extremely dictatorial and disrespectful." Panama City Directorate President Humberto Della Togna explained the party's rank and file members "are meeting to discuss the matter. We did not attack the president but served as the spokesmen for the PA members, and that is no sin."

Ruling PA Accused of Starting 'Witch-Hunt'

PA1407235292 Panama City LA ESTRELLA DE PANAMA in Spanish 14 Jul 92 p A1

[Report by Euclides Corro]

[Text] Gerardo Gonzalez, the Democratic Revolutionary Party [PRD] president, has described the decision by the ruling Arnulfist Party [PA] to dismiss all public officials belonging to the PRD as "a phase of the regime's desperation in view of the rejection by the people."

Gerardo Gonzalez noted "this is a witch-hunt that will destabilize them. [no end quotation mark as published]

He was referring to the ruthless judicial repression that has existed in the country since 20 December 1989, when the U.S. invasion took place and the new members of the executive branch took the oath of office on Fort Clayton.

"A persecution against all public employees exists, and they have used Cabinet Decree No. 1 and Law 25 to carry it out. They are planning to escalate their campaign by creating new blacklists," he stated.

He feels this attitude against public employees is a way to pressure them "to favor of the regime's constitutional amendments, which go against the nation." Referring to the members of the Blue Brigade cleanup crew, who were dismissed last week for asking 25 cents for a soda from a citizen who turned out to be Deputy Health Minister Jose Aristides Remon, he said it "reveals the moral and political nature of the Endara cabinet."

Returning to the topic of the remarks by PA President Mireya Moscoso de Gruber, the PRD leader indicated they are "unfortunate" and "politically disqualifies that party from the 1994 elections."

Argentina

Menem Evaluates 3 Years of Administration

PY1407131892 Buenos Aires CLARIN in Spanish 12 Jul 92 p 7

[Article by President Carlos Menem]

[Text] An evaluation of the three years of this administration must be for all of us an opportunity for moderation and political prudence to avoid boasting about our achievements and falling into clumsy pride that might prevent us from clearly seeing the many paths that still remain to be covered to definitely consolidate Argentina's recovery.

We should demand from ourselves and from the institutions of our community a gesture of modesty and good sense. Modesty and good sense not only to point out the achievements made but also to indicate what needs to be done.

On 8 July 1989, Argentina began an unprecedented transformation that is installing an authentic new political, economic, and institutional order in our society.

Perhaps the most important achievement of this period of great changes has been the installation of a new game rule for all Argentines.

From the time we attacked the regressive distribution of national income, we put into operation a process that seeks to insert the country into a new scene. We seek to have a more open democracy with greater private initiative and better possibilities of production, with less opportunity for antisocial behavior, and with a structural reform that shows a decisive change in our path as a nation.

Putting an end to the well-known (but difficult to fight) financial and contract-type profiteers required a strong political decision that has remained unchanged during these three years, despite the difficulties in implementing it and the circumstantial failures.

Therefore, this transformation was built on basic pillars: the improvement of tax collection as the basic mechanism for greater social projects; the elimination of excess purchases, privileged subsidies, and state gifts; the strengthening of a needed juridical security; Argentina's responsible insertion into the new world scene; the recovery of our currency and credit (both internal and external); the increase of consumption and employment; and the implementation of a privatization policy that for our government is an instrument (not an end in itself) to give greater motion, investments, and risks to a capitalist system that we hope to make more humane and dignified.

This quick review of achievements cannot be limited to the economic-fiscal field exclusively. I am convinced that the winds of change blowing in Argentina have a deep cultural root, therefore, we the national leaders must be able to interpret them with great intellectual, political, and moral honesty.

This is why I also would like to point out the decisive intervention of Congress and the opposition forces in the debate and approval of basic laws during this period: the Convertibility Law; the laws for administrative reforms, privatization, modernizing labor legislation, and the transfer of education; the national budget's approval on schedule and according to regulations; and of the oral and public trial system. These are only a few examples.

What are these facts telling us? What can we learn from these three years?

First of all, we should be able to promote a basic consensus on this transformation, which has been expressed by the great majority of Argentines in all the elections.

Their consensus on the transformations is telling us about the need to promote dialogue, and to have more mature political, union, business, and social forces—above the logical disagreements that may emerge in the task of evaluating the implementation and the putting into operation of concrete government actions.

And in the case of our administration, in the next three years the government will face obligations that cannot be avoided to lead the community toward a more solidaristic, just, and ethical democracy.

Giving firm impulse to a social era means strengthening the transformation projects. We must be capable of having the imagination to formulate structural changes on issues that require sensibility, intelligence, and realism to avoid falling into simple demagoguery that agitates problems but is not capable of proposing concrete and basic solutions.

I am referring, of course, to the situation of people on pensions, teachers, the poor, and all those people who were gradually taken out of the world of production and well-being in the last 15 years.

In the face of this situation our government is proposing measures for change. The measures probably can be enriched or improved. But what should not be done is to cynically speculate with short-range political gains at a time when urgent concrete actions are needed to dignify the life of millions of Argentines.

As president of the nation I do not—and will not—forget my basic commitment to the poor, the outcast, the poorest among the poor. They are the men and women who were bled by inflation, paralyzing recession, social chaos, and the threat of disintegration as a community only three years ago.

This sad and unfortunate memory obviously does not mean that we should forget the need to make further progress in the social field by carrying out new tasks to satisfy urgent needs in the areas of housing, health, food, and infrastructure assistance for a better life.

The idea of vindicating economic stability does not mean glorifying stability as the final goal.

Stability is a springboard from which we should strengthen sustained development for all Argentines.

This is why the social era that we should now firmly support should promote the business and productive groups as the most important participants in this process. They should be promoted with freedom but also with responsibility, creative risks, technological innovations, and investments that can be seen not only as an economic option but also as a moral option, as pointed out beautifully by John Paul II in his Centesimus Annus encyclical.

Strengthening the social aspect also means realizing that a president cannot be an omnipotent leader with hegemonic temptations or with the mania of being the only one, or being isolated from the rest of the political groups.

The call for solidarity is the most important, and I feel the need to call for it again in the remaining three years.

I do it taking responsibility for my mistakes, admitting obstacles that are yet to be overcome, recognizing difficulties that still prevail in an Argentina that has began to walk after many years of prostration and decadence.

All of us—government, opposition, capital and work force, social communication representatives, intermediate community institutions—should do something like deep soul searching these days.

We then would see that, despite all obstacles, Argentina has a great opportunity ahead of it. My commitment is not to waste this opportunity, not to delay it in useless long discussions, not to picture it as a country divided in halves, not to reduce it to unilateral development for a few, not to waste it by allowing myself to be seduced by people who believe it is impossible and undesirable to build a more just country. My commitment is not to be seduced by people who assume that our mission as leaders should end with doing the "dirty work" of the rational use of resources and adjustment.

My commitment—which I hope is shared—consists of consolidating growth and social justice with freedom.

In other words, to keep on working hard during the next three years and to think of future generations instead of wasting time thinking of future ambitions.

Because we Argentines have no more excuses for failure.

* Menem-Alfonsin Political Dialogue Assessed

92SM0474A Buenos Aires LA PRENSA in Spanish 4 Jun 92 p 7

[Interview with Jesus Rodriguez, former minister of economy, by a staff member of NOTICIAS ARGENTINAS; place and date not given—first four paragraphs are editorial introduction]

[Text] Jesus Rodriguez, former minister of economy from the Radical Party, assessed the course of a dialogue between the government and former President Raul Alfonsin aimed at strengthening relationships with the principal opposition party. He considered the invitation to talks as only a reflection of the government's "obsession" over the reelection of Carlos Menem.

Rodriguez emphasized that, over and above its principal personalities, his party is consolidating its institutions. He let it be understood that at present there is a broad acceptance of party positions, including Eduardo Angeloz, the governor of the Province of Cordoba; who a few weeks ago opposed reforming the national constitution.

In an interview granted to NOTICIAS ARGENTINAS the former national deputy from Buenos Aires and the leader of Ateneo del Centenario [Century Club], a group within the Radical Party, warned of the possibility of falling into the "disgraceful practice of following the Latin American pattern," which would involve the greater impoverishment of the middle class and more loss of industry in Argentina.

The interview covered the following matters.

[NOTICIAS ARGENTINAS] In your view what is the reason for the surprise invitation by President Menem to former President Raul Alfonsin to enter into a dialogue?

[Rodriguez] It seems to me that you have to put it in the context of the principal objective of the government, which is almost an obsession. That is to win reelection, disguised as constitutional reform, when in reality a constitutional amendment is being sought that will make reelection possible.

Second Intention

[NOTICIAS ARGENTINAS] In what way has the situation changed to require the use of that presidential invitation?

[Rodriguez] This happened due to a situation in which many groups see the ulterior motive of the government and are beginning to place limits on their relationship with President Menem. In other words, the social and political alliance that gave support to Menem for what has now been nearly three years is beginning to unravel on the basis of that decision. Consequently, the government is trying to repair relations with some groups that previously did not share in that program. For example, the Radical movement and the trade union leaders. This shows the volatility of the leadership and of its political goal and that it is closer to political calculations in many opportunistic ways.

[NOTICIAS ARGENTINAS] Can the president's attitude drive a wedge into the internal functioning of the Radical movement?

[Rodriguez] On the supposition that there is a dialogue, the discussion between Menem and Alfonsin will be in terms of a constitutionally elected president in office

talking to a former constitutionally elected president. Menem should know about this, and if not, he should be notified that a dialogue with the Radical movement is with the movement as an institution.

[NOTICIAS ARGENTINAS] Is Alfonsin still the leader of the Radical movement?

[Rodriguez] Alfonsin is one of the highest ranking leaders of the Radical movement. He is a man who now expresses in the best way the desire to formulate an alternative program that is different and better in the context of a crisis faced by all popular and democratic political parties in Latin America.

Interesting

[NOTICIAS ARGENTINAS] Does the Radical movement not give him a definite role to play?

[Rodriguez] I would say that we are involved in giving power to the institutional structures of the Radical movement. In fact, the National Committee of the Radical movement is taking some very interesting and very positive steps in that direction. What we need now is to make a qualitative leap so that, in addition to unifying positions on matters that the government is proposing, we should be in a position to develop an agenda to offer to the people.

[NOTICIAS ARGENTINAS] Does that mean that the contradictory position of Eduardo Angeloz on constitutional reform reflects precisely that course of institutionalizing party decisions?

[Rodriguez] All of the Radical leaders are going to line up behind a decision which the party makes as an institution.

[NOTICIAS ARGENTINAS] When you Radical party leaders speak of constitutional reform, do you approve it or not, and what aspects are involved?

[Rodriguez] When we speak of reform, we refer to a change in the system, not to deepening those features of this political system which are not advisable. We want to democratize the government. The government wants to increase the concentration of power. We want to give more power to the organisms which exercise control over the actions of the government. The government wants to dilute the power of those organisms permanently. We want to broaden the role of Congress and of the judicial branch. The government considers Congress a subsidiary of the executive branch and the Supreme Court as an appendix of the executive branch.

'Fantasy'

[NOTICIAS ARGENTINAS] Does this mean that there is no possibility for an institutional dialogue with Alfonsin on constitutional reform?

[Rodriguez] It could be a fantasy on the part of the government. There is no room for it to be done. In addition to the personal positions on constitutional reform there is the formal position of the Radical Civic Union [UCR].

[NOTICIAS ARGENTINAS] Will this matter come up at the national convention on 4 July?

[Rodriguez] At the national convention we will begin to discuss this subject, but that does not mean that a decision will be made on it.

[NOTICIAS ARGENTINAS] Is there a possibility of opening a truly fruitful dialogue between the government and the principal opposition group, the Radical movement?

[Rodriguez] The government has conceived of a dialogue, is preparing for it, and brings it out when it is in difficulty. There is a direct relationship. Whenever there is a political commotion within the government, the need for a dialogue appears. Let us recall that the present call for a dialogue appeared in January, when Argentina was shaken by the Triaca-Somisa affair, the poor-quality milk episode, the PAMI [Comprehensive Medical Assistance Plan] question, and the problem of retired people.

[NOTICIAS ARGENTINAS] Is the dialogue going on now?

[Rodriguez] It is a kind of parody. In reality the government is hoping for an agreement to associate the Radical movement with its program and its model for society. We question this because it moves in the direction of social dualism, towards the fragmentation of Argentine society, and towards an unfortunate form of converting our society to a Latin American model. This will lead to the impoverishment of the middle class and to the loss of industry.

Recomposition

[NOTICIAS ARGENTINAS] Are you participating in the political dialogue?

[Rodriguez] I am a member of a growth strategies committee that has never met.

[NOTICIAS ARGENTINAS] You left the government almost three years ago. Where does the Radical movement now stand in terms of reorganization?

[Rodriguez] The phase of mourning and weeping is ending. And in parallel fashion the social climate is changing. Until a few months ago the Radical movement was asked to be silent and not to interfere by some of the communications media. Now it is being asked to put up strong opposition to the government and display a clear difference toward what the government is doing.

[NOTICIAS ARGENTINAS] Does the Radical movement have any particular expectations, in view of its virtually certain victory in the elections to be held at the end of June?

[Rodriguez] We Radicals are working to ensure that on 28 June we will achieve the fourth consecutive defeat of Menem after his program and his candidates lost in the Provinces of Chubut, Catamarca, and Tierra del Fuego. We are betting that this will be a wake-up call, which will have the effect of affecting the Menem government and making it realize that changes have to be made.

* Social Security Bill Sent to Congress

92SM0474B Buenos Aires LA PRENSA in Spanish, 4 Jun 92 p 3

[Text] Following are the principal points of the draft social security bill, which the Executive Branch sent to Congress on 3 June for its consideration:

- A pension will consist of a basic universal allowance (PBU), to be provided by the state, and an additional allowance derived from capitalized contributions in the individual account of each contributor.
- The basic universal allowance will consist of a uniform sum for each retired person. This system will be administered by the national government.
- The PBU will be determined under a system of simple distribution. Those who meet the requirements of age and years of contributions set out in the law will receive, in this way, an allocation determined exclusively as a function of the amount of money collected.
- Contributions already made by those under 45 years of age will be recognized for the purposes of determining this benefit.
- The contributions of workers who come under the new system will be handled under a system of capitalization. A social security allowance will be generated whose total amount will depend on the sums of money contributed by each individual during the period when he or she is in the work force and on the basis of the time when the new system is in effect.
- The administration of capitalization funds will be in the hands of public or private companies established exclusively for that purpose. However, the collection of contributions will be in the hands of the national government.
- Furthermore, the government will determine the standards to be used and provide for the establishment of suitable organizations to exercise full control to guarantee the protection of the funds, as well as their effective use within a basket of investments permitted by the law covering the administering companies.
- The debts generated to those presently retired will be recognized from April 1991 to the present date. For this purpose, the law for the consolidation of social security obligations will be extended, and the emission of bonds will be broadened.
- Age eligibility will be changed for persons retiring in the future: Age 65 for men, 60 for women, and 70 for those who retire at an advanced age. This change will be made in stages.
- The amount of a pension will be calculated by taking 70 percent of the monthly salary paid for the last 10 years, after allowance for inflation, using salary indices.
- To be eligible for retirement, persons will be required to work for 30 years and to contribute for 22 years. Personal contributions to the system will be raised to 11 percent. A salary ceiling will be established for required contributions, which will round out at 3,000 pesos monthly.
- To ensure the financing of the entire system during the period when the present and the new systems exist side by side, 26 percent of the funds brought in under the IVA [Value-Added Tax] will be allocated to the social security system.
- For the capitalization of the social security system, that is, to reduce debts and/or to increase the assets, 20 percent of the proceeds of income tax and 100 percent of the tax resulting from the sale of Class A shares of stock in the YPF [Government Oil Deposits] will be allocated.
- A legal structure will be established for the operation of retirement insurance and life insurance companies. The types of insurance handled by these companies will be distinguished legally and in terms of the endowment involved.

Bolivia

Citizen Reportedly Shot by DEA Agent

PY1407143492 La Paz Radio Fides Network in Spanish 1100 GMT 14 Jul 92

[Excerpts] [passage omitted] Santa Cruz Mayor Rolando Artegui has said that those who commit crimes in Bolivia must be tried according to national laws. He was referring to the incident staged by a DEA agent called (Bryan Dompson), who—in an absolute state of drunkenness, according to eyewitnesses who asked not be to identified, last weekend fired his gun several times at Bolivian citizen Angel Rojas Suarez in a public place.

This incident annoyed the local people very much, especially because the U.S. agent was arrested by police but was released immediately after promising to return later.

The victim has been taken to the El Cristo hospital and still is in critical condition. However, the incident is not clear at all. Police officers have promised further investigations to determine what really happened. [passage omitted]

According to Jata news agency, (Bryan Dompson) yesterday left Bolivia, although he was supposed to show up at the police station to explain the incident. (Dompson), a DEA agent, had shot a North American [as heard] citizen and left the country.

Congress Asks U.S. for Information on Troops

PY1407184292 La Paz Television Boliviana Network in Spanish 1700 GMT 14 Jul 92

[Text] The National Congress has asked the U.S. Government for more information on the type and number of U.S. troops that are working in the country. Only in this manner will we be able to learn whether they are working in the civic action program or in the antinarcotics program.

In compliance with some denunciations made regarding the presence of U.S. military officers in El Beni, the National Congress has adopted this decision. Vice President Luis Ossio Sanjines will give us further details on this:

[Begin recording] [Ossio Sanjines] In fact, there are agreements for the struggle against drugs, on the one hand, and agreements for a civic program on the other hand. This is a social action program and not for foreign troops, a program that also has been called a program of volunteers. Obviously this has not been well established, and Congress now is asking for more information on what type of personnel is working in national territory. In this manner, Congress will be able to legally establish what really exists in the country.

[Unidentified reporter] Are you concerned about the forthcoming arrival of [words indistinct]

[Ossio Sanjines] What happens is that, according to the official information we have on hand, they are engineers or personnel experts in handling heavy equipment, tractors, and equipment that are used in preparation for the construction of roads, etc. This is what we know officially. We do not know more than that. We are going to verify whether there are other personnel not included in those groups. If they do belong to the civic action program and, on the other hand, if they also belong to the other group, that is, to the antinarcotics program as advisers, then everything is correct. This is as much as I can officially tell you. We are issuing a note to the Foreign Ministry to supply us with more information if there are any other personnel. [end recording]

U.S. Envoy Denies Nuclear Dump Construction

PY1307142092 La Paz Radio Fides Network in Spanish 1100 GMT 13 Jul 92

[Special report from Santa Ana del Yacuma]

[Excerpts] U.S. Ambassador Charles R. Bowers visited Santa Ana del Yacuma on 11 July to deny accusations by the departmental labor confederation of Santa Cruz and El Beni and civic committee leaders that a nuclear waste dump is being built by NASA. Also present in Santa Ana were the El Beni mayor and high-ranking Army and Navy officers.

The U.S. ambassador and his military officers stationed in Santa Ana showed the officials the places occupied by troops of the 37th Engineering Battalion of North Carolina, who are conducting work there.

The ambassador called the accusations a smear campaign by enemies of the United States. He admitted, however, that these rumors could have emerged in Santa Ana due to the lack of correct information about flights and the cargo planes' contents. This has made people skeptical because no one was informed of anything. The press also has complained about the lack of information, and photographers often were prevented from taking pictures. [passage omitted]

The ambassador added that the United States has no plans to build a military base in El Beni, and much less in Bolivia. He said the work being carried out by U.S. officers will be finished by 11 September, and that on 15 September they will return to the United States, as stated in the agreement signed between Bolivia and the United States. [passage omitted]

If we understand correctly that the U.S. soldiers will return to their country on 15 September, we hope they never again return to Bolivia. The best way to avoid susceptibilities is to prevent the U.S. soldiers from returning to Bolivia ever again. Only then we will be more at ease here, because what the U.S. ambassador says, and forgive me for saying this, Mr. Bowers, we do not believe.

Ministry on Nuclear Dumping

PY1507034892 La Paz Television Boliviana Network in Spanish 0200 GMT 15 Jul 92

[Text] The Bolivian Foreign Ministry has not authorized, and will not authorize, the dumping of nuclear waste into our country.

In a news conference held today, Foreign Minister Ronald MacLean said: So far, the Foreign Ministry has not received a request from the U.S. Government in this regard, but if one is received I would reject it, as it would mean an attack on the ecology of our country.

[Begin MacLean recording] Obviously, Bolivia has not officially received any request, and if it receives one I would never accept it. As I said, Bolivia has not accepted and never would accept that such waste be deposited in our country. All Bolivians who hope to live here all their lives, in a place where our sons and grandchildren also will live, would never accept such a thing. But if some day it is verified that someone, I do not want to say who, could have brought such waste here, it would obviously be a very serious thing, as it would be completely against the law. We would take the necessary measures to defend the ecology of this country, its environment, and obviously our sovereign rights in Bolivia. [end recording]

Regarding the incident that took place in Santa Cruz last weekend, where a U.S. citizen reportedly wounded a Bolivian, Minister MacLean said that it is the responsibility of the Interior Ministry to take the appropriate legal steps.

Guerrilla Tape Played on Cochabamba Television

PY1407121492 La Paz: PRESENCIA in Spanish 1 Jul 92 p 7

[Excerpt] Five days after celebrating the first anniversary of its first political-military attack, the Tupac Katari Guerrilla Army (EGTK) reappeared in Cochabamba on 29 June when four of its alleged members, who were hooded, were introduced on Television Channel 2 and called on the citizenry to join them in their armed struggle.

With epithets and threats against the government, the four alleged EGTK members, including a woman, read a manifesto from their insurgent group through a video recording the Interior Ministry currently is investigating.

According to reports datelined Cochabamba, the hooded EGTK members, who were armed with rifles and dressed in Indian ponchos, initially said: "To our country's brotherly workers, to our rural and urban sister workers, to all the exploited people who are living in suburban districts."

The EGTK people added: "Since we have publicly appeared, the government has been trying to destroy us by all means. It has been operating—in the best possible manner—its repressive apparatus, made up of cruel men who do not respect human rights nor the democracy they champion so much."

Interior Under Secretary Marco Oviedo has described the EGTK manifesto as a threat to democracy, while Oscar Vargas, the Armed Forces commander in chief, said his institution is ready to join the antiterrorist struggle.

The EGTK, which has claimed responsibility for about 50 attacks in various parts of our country, began its insurgent activities in the early morning hours of 4 July 1991 by blowing up two high-tension towers in the city of El Alto.

The government, which maintained tight secrecy during its investigations, managed to break up two EGTK cells and optimistically announced that such a task had been carried out against the "central axis" of the group by detaining 19 of their confessed members.

Manifesto

The hooded EGTK members, who were on the television screen for about three minutes, again reported on the government's torturing of group members who were first detained in September 1991.

The hooded EGTK people said: "They [not further specified] have tortured and abused human dignity in the style of the bloody dictatorships of the past. They used electric cattle prods, hot nails, and other instruments that would not be used by healthy people."

The EGTK people also complained about their salaries, which, they claimed, are too low. They also opposed the mining of the Uyuni Salt Mines by the transnational Lithco company.

The EGTK people harshly questioned the political parties because they are just using the peasants, and proposed destroying the current "corrupt" democratic system in order to build a society based on the ayllu [a self-governing and land-owning peasant community in Bolivia's highlands] community system.

Armed Forces Ready and Interior Ministry Cautious

Vargas said his institution is at the people's disposal to confront the terrorist activities in case the police are overwhelmed in their struggle.

The Armed Forces commander in chief said: "The terrorism problem lies in the intelligence area. If the police are overwhelmed and they cannot cope with the problem, we will cooperate with their efforts. We are ready."

Oviedo, who announced that the state intelligence services are fully evaluating the video recording broadcast in Cochabamba, refused to make additional comments.

Oviedo said: "We have been reviewing this film and I want to tell you that we will not make a judgment on the Cochabamba incident. We will let the television channel assume that responsibility."

Oviedo added: "The (EGTK manifesto's) contents are clear. It represents a threat to Bolivian democracy, to society, by an illegal group. We do not have any clues as to where this video was filmed or who delivered it. There are no detainees." [passage omitted]

Brazil

Official Banks Not Giving Information to CPI

PY1507033992 Rio de Janeiro O GLOBO in Portuguese 14 Jul 92 p 3

[Text] Brasilia—The CPI [Congressional Investigating Committee] involved in the PC [Paulo Cesar Farias] case yesterday experienced its first friction with the Central Bank (BC) and the Bank of Brazil (BB). The presidents of the two banks, Francisco Gros and Lafaiete Torres respectively, used various arguments in order not to supply information on PC Farias's banking operations, on his companies, and on other people involved in the charges.

In a procedure described as "pedantic" by speaker Amir Lando (Brazilian Democratic Movement Party—Roraima State) during a conversation with some of his friends, the BB president wrote to the CPI chairman, Deputy Benito Gama (Liberal Front Party—Bahia State), denying information on loans to companies involved in the PC case. Lafaiete said he only could obey

a decision made by an absolute majority of the CPI, and that this was not specified in the request that was sent to him.

According to two CPI members, Benito reacted angrily and gave Lafaiete a 48-hour deadline to send the information.

Late yesterday afternoon, the BC president informed Benito on the telephone that he could not meet the deadline (at 1800 yesterday) to supply information on the accounts of 34 individuals and corporations involved in the case. Gros alleged that the request did not contain full names—CPF [tax identity number] and CGC [general taxpayers register].

Deputy Aluizio Mercadante (Workers Party—Sao Paulo State) remembered that the request was written 10 days ago in Gros' office, and under the guidance of the BC's team of experts.

Gros again telephoned, promising to send information to the CPI a few minutes later. The information arrived in two cardboard boxes, containing about 50 kg of documents each. Nevertheless, this was not the information requested by the committee.

Collor Installs New Environment Secretary

PY1507032792 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 14 Jul 92

[Text] President Fernando Collor today installed Flavio Perri as the new environment secretary in a ceremony held at Planalto Palace. Perri is replacing Education Minister Jose Goldemberger, who has been acting environment secretary since last April. Flavio Perri, 52 years of age and born in Sao Paulo, is a career diplomat. He was the executive secretary of the national work group of the Rio-92 conference.

President Fernando Collor said that the appointment of Flavio Perri was the best way to pay homage to all Brazilian diplomats. Collor added that a great deal of the Brazilian success at Rio-92 was due to the work of Brazilian diplomats and to the actions of foreign policy.

[Begin Collor recording] Rio-92 made all Brazilians very proud. We are aware that a great deal of the Brazilian success was due to the work of the diplomats and to foreign policy actions. This is the reason for your appointment, Mr. Secretary; it is an homage to Brazilian diplomats. [end recording]

President Collor also said that the greatest challenge for the new secretary will be to implement the proposals for sustainable development which were approved by Rio-92.

[Begin Collor recording] I recognize that your mission is difficult and complex. When I mentioned some of the tasks that were entrusted by Rio-92, I was only listing some of your tasks. Other challenging tasks will be to implement the national environmental policy in its multiple dimensions; to stimulate youth and create in them a real awareness ecology and social justice; to build a solid institutional basis for the functions of the Environment Secretariat; and to propose ideas and methods for the rational defense of our natural resources. This is a challenge that demands multiple talents, which you have already been shown to possess. [end recording]

Jose Goldemberger also praised the work done by Flavio Perri at Rio-92.

[Begin Goldemberger recording] I have the greatest satisfaction in handing over the position to Mr. Perri, who has shown in the preparation of Rio-92 all the necessary credentials, both from the administrative and political sensibility point of view, to hold his position with great success. [end recording]

Flavio Perri announced that he will place the secretariat in the best possible harmony with Ibama [Brazilian Institute for Environmental Affairs and Renewable Resources]. He spoke about how he hopes to promote sustainable development in the country.

[Begin Perri recording] I intend to promote an effective development effort for the preservation and conservation of nature, more through the technique of stimulation than through the mechanisms of orders and prohibitions. As Professor Celso Lafer [Brazilian foreign minister] has taught, I hope to promote studies with other organizations in order to motivate sustainable development. [end recording]

Perri also announced that he will take over the presidency of Ibama, which is now vacant with the resignation of Maria Tereza Padua yesterday. Flavio Perri said that the resignation of Maria Teresa Padua was a decision made through common consent. Perri added that he is taking over Ibama so as to be able to know this organization better.

[Begin recording] [Correspondent Alexandra Felma] Flavio Perri also decided to take over the presidency of Ibama, so as to be able to get to know this institute, which is considered the main organization carrying out the orders of the Environment Secretariat. This explanation was given by Perri during the transfer ceremony held in the Ibama auditorium. Flavio Perri believes that there should be perfect integration between the Environment Secretariat and Ibama, in addition to an integration between the secretariat and the other organizations of the federal government. Perri also said that for the time being there will no changes in the Ibama structure.

[Perri] I would not even think of any changes. For the time being, I intend to become familiar with its current structure and to work with it. There is no reason to think of changes while one is still unacquainted with it. It would not be correct.

[Felma] Perri said that he still does not know how long he will head Ibama. Former Ibama President Maria Tereza Padua promised to cooperate with Perri if he so desires. [end recording]

German Financing Sought To Finish Nuclear Plant

PY1407002892 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 13 Jul 92

[Text] The Brazilian Government has decided to obtain loans from German banks in order to finish construction of the Angra-2 nuclear plant. This information was announced by Mines and Energy Minister Marcos Pratini de Moraes, who said that Brazil is currently spending more than $6 million a year simply for the maintenance of Angra-2. He added that this amount would be used to finish the plant.

[Begin Pratini de Moraes recording] We are spending $6 million a year to do nothing. We are now going to use the $6 million we were spending to finish the plant. [end recording]

He also announced that the government has decided to temporarily stop the Angra-3 nuclear plant project. Construction on Angra-2 began in 1976, but slowed down in 1980 and stopped completely in 1988. Work on the Angra-2 plant will resume next November.

Economic Crisis Paralyzes Research Projects

PY1507023492 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Jul 92 Section 4 p 5

[By Fernando Rossetti]

[Text] Scientists have stated that Brazil's technology is about to jump backwards. Federal funds intended for the Science and Technology Secretariat have dropped by 39 percent in the past two years (from $714 million in 1989 to $436 million in 1991).

The CNPQ, National Council for Scientific and Technological Development, has virtually suspended its activities; 2,406 research projects approved last year have not yet been implemented. The development fund intended to feed laboratory rats, for example, dropped from $43.1 million in 1990 to $8 million in 1991.

Ennio Candotti, chairman of the Brazilian Society for the Advancement of Science, has said: "We are losing the few available things." He said that research projects have been suspended nationwide, and that an increasing number of local scientists are going abroad.

Gilberto Velho, a 47-year anthropologist from the Rio de Janeiro National Museum, said: "We are facing an unprecedented crisis, because we are losing various researchers and students are being seriously harmed with the suspension or overdue payment of scholarships."

Isaias Raw, director of the Sao Paulo Butantan Institute, said that 30 of the 200 vacancies are available for researchers. He stated that "the problem is that the institute pays half the salary of the Sao Paulo state universities. As soon as they have a vacancy, we lose important staff."

Scientists say that Sao Paulo State—in charge of approximately 50 percent of Brazilian researches—is less affected by the crisis involving local science. The budgets of the three Sao Paulo universities—USP, Sao Paulo University; UNESP, Sao Paulo State University; and Unicamp, Campinas State University—were assigned nearly $1 billion. These budgets are linked to the ICMS [Merchandise and Services Distribution Tax] collection. Besides, FAPESP, the Sao Paulo Federation to Support Research, which receives 1 percent of the ICMS, is one of the few of the country's state research development institutions located in Sao Paulo. Raw said that "FAPESP is also being affected by the crisis because tax collection has decreased with recession."

Nelson Maculan Filho, rector of UFRJ, the Federal University of Rio de Janeiro, has explained the situation in the rest of the country by stating that the budget assigned to the federal institutions linked to the MEC, Ministry of Education and Culture, stood at $3 billion. He said: "The fact is that Sao Paulo has three universities, and the MEC 52 research institutions." Maculan earned 7.8 million cruzeiros this month. He stated: "This is one of the university's highest salaries. They are ending academic careers in this country." Maculan also is the president of ANDIFES, National Association of Directors of Federal Higher Learning Institutions [Associacao Nacional de Dirigentes das Instituicoes Federais de Ensino Superior].

Maculan said that the funds assigned to maintenance have been reduced in order to proceed with some of the research. He added: "The campus looks more dirty and the buildings uglier, but this is the current situation."

IMF-Russia Dealings May Affect Brazil

PY1007220292 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Jul 92 p 10

[By Paulo Sotero]

[Text] Munich—IMF Managing Director Michel Camdessus' decision to assume political risks to attract Russia into a stabilization reform program has prompted a discussion that affects Brazil. Given the strategic importance for the West of stability in the former USSR and the small importance of Brazil, the discussion may end by negatively affecting Brazil. This subject will be discussed by the IMF board of governors in two months, when they will meet to evaluate the results of the economic program negotiated with the Brazilian Government.

The issue was raised during the news conference Camdessus gave in Munich on 6 July. Two weeks earlier, his predecessor as IMF head, Jacques de Larosiere, current Bank of France president, said that he disapproved the "politicalization" of relations between the IMF and the government headed by Boris Yeltsin. In his opinion, the IMF should limit itself to granting technical assistance to Russia instead of risking its credibility by financing an effort doomed to fail.

Camdessus was visibly annoyed. Two days earlier he had announced the release of the first part of $1.1 billion of a potential $4.4 billion loan for the Moscow government, and added that there was no contradiction between the current IMF policy and De Larosiere's recommendation.

Had he faithfully followed only the technical ideas, the IMF administration would have not recommended the agreement approved in January with the Brazilian Government, and neither would he have engaged in the negotiation of a reform program with Moscow. But contrary to De Larosiere, who only followed the bureaucratic rules, Camdessus is led by circumstances to act politically.

In the Brazilian case, he confronted the objections and criticisms of some industrialized countries that would have rather conditioned the program's approval to the adoption of structural changes by the government, such as tax reform. Camdessus decided in favor of the Brazilian economic team's strategy. In the Russian case, he is under negative pressure from the industrialized countries. In view of the seriousness of the Russian situation, he began negotiations for a standby-type agreement with Moscow, aware that the possibilities were minimal for the Yeltsin government to implement any vigorous adjustment policy.

Denunciations

The smoothness necessary in the treatment of the Russian situation will set a precedent that, in an ideal world, should favor Brazil. G-7 [Group of 7] government sources already have begun calling attention to the exceptional nature of the Russian crisis. Robert Hormats, a former high-ranking official in Ronald Reagan's administration who closely follows the annual rites of meetings of leaders from wealthy countries, stresses this point of view with one sentence: "Russia is not Brazil."

Denunciations of corruption against President Fernando Collor tend to strengthen this theory, noting that the difficulties Brazil is encountering in implementing its economic program are self-imposed, while Russia is experiencing a historical transition of its political and economic systems.

The Soviet demand to negotiate an agreement on its official debt to the Paris Club, before having its program approved by the IMF, threatens to bring to light another negative element for Brazil's image. In January 1987, the Jose Sarney government set a precedent, obtaining the renegotiation of the official debt without the IMF's endorsement. The following month, it declared a moratorium on debt payments to the banks. Coincidentally, Japan and Great Britain, two countries that reluctantly supported the Brazilian program with the IMF, said in January in Munich that the Russian agreement with the Paris Club will have to wait for the approval of the standby agreement with the IMF.

Colombia

Health Minister De Roux Reports AD/M-19 Unity

PA1307161092 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 13 Jul 92

[Telephone interview with Public Health Minister Gustavo De Roux by unidentified reporter at the Emisoras Caracol studios in Santa Fe de Bogota; live]

[Text] [Reporter] We now greet the new health minister, Gustavo De Roux. Good morning, Mr. Minister. Congratulations.

[De Roux] Good morning. How are you?

[Reporter] Fine, sir. When will you be sworn in?

[De Roux] Probably at 1700.

[Reporter] How were you able to secure the unanimous support of the 19 April Movement Democratic Alliance [AD/M-19] on 11 July, Mr. Minister, after a sector of the alliance, the sector headed by Heverth Bustamante, stated its disagreement with the way your appointment was made?

[De Roux] On 11 July we held a very important meeting. That meeting was attended by AD/M-19 sectors. The participants discussed internal matters of the organization and reached conclusions on the democratic processes of the alliance. We also discussed the Health Ministry case. The various sectors reached the conclusion that it was important to support the appointment of the new health minister and they stated their position in this direction.

I think the debates at the meeting were candid. The concerns of those who initially questioned my appointment were resolved.

[Reporter] What kind of demands were made and what agreements did you reach with the AD/M-19?

[De Roux] We agreed to establish a good Health Ministry. I think that one point that was made clear at the meeting is that a good operation of the Health Ministry would most benefit the AD/M-19. No bureaucratic pact or concession was made. One thing that was made clear is that the health minister would be supported, that work must be conducted in coordination with the AD/M-19 parliamentary sector, and that relations are to be maintained, of course, with the AD/M-19 leadership. This does not mean that conditions will be placed on the ministry. It was agreed that the minister will have autonomy, will be flexible, and will adopt decisions he deems necessary for the overall efficient functioning of the ministry.

[Reporter] Mr. Minister, how did Antonio Navarro explain the way he included your name on the list he gave to President Cesar Gaviria without the consent of his fellow party militants?

[De Roux] Dr. Navarro said the president asked him to add other names to the list and, probably because Dr. Navarro knows about my record in the health field—I have been linked to that field since 1975 and have engaged in research on social sciences and health as an adviser to the Pan American Health Organization, Health Ministry, and other countries' health programs—he decided to present my curriculum vitae in response to the presidential request.

[Reporter] Dr. De Roux, there has been much concern in and out of the alliance over your movement's unity. This concern became obvious with your appointment as minister. Now that you have received this support, would you say the alliance has emerged from this political process more united?

[De Roux] I think so. The impression I received at the 11 July meeting is that the confrontations, debates, and discussions on existing differences permitted the strengthening of the AD/M-19. I think the communique produced as a result of that meeting makes it evident that there is unity and the general decision to work in a united fashion.

[Reporter] It has been said by some AD/M-19 members that the division remains latent, that it was decided to support you, but that there are differences of opinion and positions. You probably will have to be careful from now on to avoid stepping on any AD/M-19 toes.

[De Roux] One of the issues discussed at that meeting, and I can tell you this because I was there—I was asked to stay, although, obviously, I was not interested in any kind of discussion—is the importance of holding a broad assembly. I believe this assembly will be held in August.

[Reporter] Could a collegial leadership result from this meeting to replace the personal leadership of Antonio Navarro?

[De Roux] It is possible, but I do not know. We will have to wait and see what happens at that meeting.

[Reporter] Thank you, Mr. Minister. You have been very kind. We wish you success and, again, congratulations.

[De Roux] Thank you. Best wishes to you.

Ministers Sworn In

PA1407005792 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2310 GMT 13 Jul 92

[Report by Jose Luis Ramirez]

[Text] New ministers continue to parade through Narino Palace. Health Minister Gustavo De Roux and Communications Minister William Jaramillo Gomez were sworn in on 13 July.

Despite internal division within the 19 April Movement Democratic Alliance [AD/M-19] concerning the appointment of Gustavo De Roux, he was sworn in as health minister on 13 July. After holding several meetings with the AD/M-19 leadership, the new health minister received their support.

Gustavo De Roux has served as adviser to the WHO, UNICEF, and former ministers Antonio Navarro Wolff and Camilo Gonzalez Pozo. He is an agricultural engineer who specialized in rural law. De Roux, 49, speaks English, French, and German. He stated that he has never been a member of AD/M-19, but he does support that group's politics.

[Begin De Roux recording] The impasse occurred because internal agreements had not been consolidated. Once this problem was solved, I received support for my nomination. [end recording]

William Jaramillo Gomez, 57, is the fourth communications minister to be appointed by President Cesar Gaviria. Jaramillo Gomez is an electronic engineer and an economic expert. He will replace Guido Nule Amin, who became minister of mines and energy.

Jaramillo Gomez is a member of the faction of the Liberal Party that supports former President Lopez. He has served as ambassador, minister, and State Bank president. He was a former Liberal Party presidential hopeful. His main task at the head of the Communications Ministry will be to implement a cellular telephone system and to oversee the sale of part of Telecom [Colombian Telecommunications Enterprise] to private investors.

[Begin Jaramillo recording] It is necessary to restructure the Communications Ministry through the communications regulation statute set forth in the Constitution. [end recording]

The new health minister is expected to assume his duties on 16 July, thereby completing the new cabinet.

Government Endorses Separate Talks Proposal

PA1407220192 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 14 Jul 92

[Report by Guillermo Gonzalez from Narino Palace—live]

[Text] Attention, the national government has just given its full support to Peace Adviser Horacio Serpa Uribe by stating it supports his proposal to discuss the possibility of holding separate talks with each of the guerrilla and terrorist groups still operating outside the law.

The government has categorically stated there is no contradiction between the peace policy guidelines established by President Cesar and the efforts being carried out by Peace Adviser Serpa Uribe.

A communique issued by the president says when Peace Adviser Serpa Uribe's position was analyzed at a recent

forum in La Uribe, the president decided to support the proposal because it interprets fully the national government's peace policy.

The communique issued minutes ago at Narino Palace also indicates there is no contradiction between the presidential guidelines and the efforts being carried out by the peace adviser's office for their implementation.

The presidential communique states: Dr. Serpa's statements do not represent a change in the peace strategy, consequently, the adviser is the spokesman of the government's peace policy. His proposal is aimed at seeking alternatives given the lack of consistency and contradictions the whole country has observed within the Guerrilla Coordinating Board concerning the peace process.

MSN Issues Declaration on Cabinet Changes

PA1007154792 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 6 Jul 92 p 7a

[Text of a "declaration" on the Colombian Government ministerial changes issued by the National Salvation Movement, MSN, senators and representatives in Santa Fe de Bogota on 5 July]

[Excerpt] [passage omitted] "The National Salvation Movement [MSN] is an invitation, the objective of which is to gather all Colombians around a task of redemption that will mobilize the country toward coexistence and enhance the possibility of developing.

"The MSN has been able to collect opinions with respect to the fundamental issues over which the possibility of preserving national survival may depend. We have achieved the following positive results:

"1. Succeeded in blocking the outburst that could have been caused by convening a Constituent Assembly without any specific objectives. This could have upset the constitutional order of the country;

"2. As we had suggested from the beginning, we have been in the forefront of the difficult and dangerous task of restoring the prevalence of public morals;

"3. We suggested renovating the justice system that has resulted in orienting public opinion toward an issue that constitutes the state's reason for existence. This issue had been relegated to the background, which resulted in the moral decomposition of the Republic. The extant moral decomposition has given all Colombians an awareness that will create the force to reestablish the prevalence of justice.

"4. We uphold a clear position with respect to managing the economy: reduce the size of the state, encourage private initiative, modify the productive processes to meet international competition, control public spending, privatize and democratize state enterprises, and make constant appeals for development projects to be coordinate within a planning framework.

"These theses have now received wide acceptance.

"The MSN is fully convinced of the virtues of its proposals. It will continue its tasks of searching for agreements with respect to the issues that continue to be fundamental: the elusiveness of the law and the coherent development of the Constitution.

"We will optimistically uphold our independence of opinion, as we have done from the beginning of this administration. In order to continue this, there is no need to participate in the government coalition or to adopt positions of opposition.

"Our intent is that whoever decides to participate in this policy will become part of an enthusiatic community of free men.

[Signed] "National Salvation Movement."

* ANDI Official on Current Economic Problems

92SM0468A Santa Fe de Bogota EL TIEMPO in Spanish 15 Jun 92 pp 1B-2B

[Interview with National Association of Industrialists President Carlos Arturo Angel; place and date not given]

[Text] Many people feel that the president of the National Association of Industrialists [ANDI], Carlos Arturo Angel, should not speak out about the government, because he shares his birthplace with the chief executive.

And the truth is that during the time he has been in charge of the fate of heavy industry, he has maintained a cautious approach to economic management. He has been critical on subjects such as the Constituent Assembly, the guerrillas, and the Telecom [National Enterprise for Telecommunications] strike.

This engineer and enterprise manager, who is 50 years old, knows the private sector as few others do, not only thanks to his studies, but because he has experienced it. He has served as president of the Occidente Finance Company and as manager first of the Risaralda Sugar Refinery and then the Riopaila Sugar Refinery.

He has said many times that the trade unions in Colombia need a major change, beginning with the fact that the presidency should be an ad honorem post and should be earned on the basis of honest competition.

A man of direct speech, he admits that he is a friend of President Gaviria, but says that this does not prevent him from talking about the government administration.

The problems facing the national productive sector today are many—rationing, tax reform, violence, revaluation, the rules of the game, and integration, among others.

EL TIEMPO interviewed Minister Angel on some of these topics.

[EL TIEMPO] There are many complaints from the private sector. What is the real status of the economy?

[Angel] The main problem in the Colombian economy has to do with coffee, as a result of the decline in international prices of the beans, which is affecting the domestic situation.

The coffee sector is tremendously important. This is the case first, because it is a sector with the ability to feed demand in the rest of the economy, and second, because it is perhaps the only one in the country not operating in the red at some point.

There are other sectors that are experiencing difficulty because of the way in which the country's foreign trade is developing, in particular. These sectors include garment making, the leather industry, and publishing. It must be realized that there are also economic sectors that are doing relatively well, at least thus far.

[EL TIEMPO] Taxes, the manipulation of the exchange rate, and rationing are the major problems facing industry. What do you think?

[Angel] Let us take it step by step. Tax reform is a very dangerous monster, and it does harm to those people—always the same ones—who stand up for the national economy.

The new income tax rates, added to the system of adjustments based on inflation, constitute the best tool for discouraging domestic and foreign private investment in our country, contrary to all that has been proclaimed.

This government zeal in pursuit of money has had the effect of returning the country, in terms of taxes, to the year 1974. In other words, we have regressed more than 25 years, when the modern trend is in exactly the opposite direction.

But there are other things. The new income tax structure in Colombia encourages tax evasion, as well as decisions not to invest.

The middle class, one of the pillars of economic demand, has been backed into a corner by taxes. Previously, even when the tax rate was high, there were deductions. Today there are none, and the increases mean larger payments.

The major conclusion to be drawn is that the government has turned on the very people who pay the taxes.

[EL TIEMPO] What about the foreign-exchange sector?

[Angel] I believe that in the management of this sector, very serious damage will be done to the productive sector, possibly irreversible damage. Those managing the Colombian economy do not want to understand that there are two economies here—the formal one and the informal one.

The country's foreign-exchange problem cannot be resolved by destroying the country's formal economy. Revaluation does not put an end to the black-market economy, but to the real economic sector—the sector that produces and that has a structure adapted to the institutional system. Those operating outside the formal economy have little interest in the measures approved to control commissions, withholdings, or revaluations. Their purpose is clear. Their greatest profitability comes from having dollars in Colombia, in areas which no one investigates.

Why don't they increase imports substantially? This is a question that concerns the technicians. The answer is simple. Only the formal sector is interested in bringing in goods through the established channels. Those operating in the other part of the economy are not. They can do it with cheaper foreign exchange and through smuggling.

We are speaking different languages. Everyone is concerned about offering advantages and amnesties, but no one is concerned about what is happening to the productive sector.

To provide for the withholding of 30 percent on the dollars coming into the country is simply an absurdity. It provides an incentive for fictitious exports and smuggling.

[EL TIEMPO] Prior to rationing, inflation was the priority in economic management, and this is linked with the manipulation of the foreign-exchange rate. What do you think of the results?

[Angel] The government must admit that its manipulation was a failure because it could not control inflation, and it should not offer any more excuses or continue to say that inflation is going to be 22 percent this year, when in only five months, we have exceeded 15 percent.

It can no longer be claimed that the open-market operations are to blame. Those with savings are being bankrupted by the low interest rates, and inflation is not coming down. The productive sector bears the burden of revaluation, and yet inflation does not yield either.

But the subject of inflation has become a joke. Now the top monetary authorities are coming forward to say that inflation will decline because the price of potatoes or peas is going to drop in the second half of the year. Previously, the excuse was meat, and before that, rice.

Industrial prices have developed in exemplary fashion this year. But the truth is that in the second half of the year, with the spiraling costs of public services and the higher costs to which rationing is leading, this development will not be easy to maintain.

[EL TIEMPO] What has the industrial response to the rationing of energy been?

[Angel] We flesh-and-blood Colombians have handled rationing with great elegance, responsibility, and stoicism. The truth is that more cannot be asked of the people.

The rationing of energy crushes the poorest people because the truth is that the more powerful can defend themselves and they have more options. But no one remembers the little man, and the state has no organization to care for these people.

I believe that thought should be given to the small enterprises, the microenterprises, which are feeling the full impact of a shameful situation.

What has been said above does not mean that larger industries are not being affected. The best example of this is the fact that business directors are devoting long campaigns and large sums of money to the purchase of equipment for generating energy, when they should be devoting their time and resources to their productive activities.

[EL TIEMPO] Has the government administration lost credibility?

[Angel] Confidence in the government is minimal among the businessmen. There are concrete facts preventing them from having confidence in the official announcements. The government says that inflation will be 22 percent, but it has not been possible to achieve this. On the social security issue, there are diametrically opposed proposals and positions within this same government. A more open approach developing gradually until the year 1994 was offered, but that too was modified.

There is uncertainty within the private sector. This is because if there is one thing businessmen need in order to undertake the process of internationalizing the economy, now that they are faced with the present situation, it is clear and stable rules of the game.

[EL TIEMPO] How do you view the Andean Pact?

[Angel] We must not deceive ourselves on this issue. The Andean Pact is achieving nothing. Ecuador and Peru are not living up to the agreements, and Colombia continues to be their victim.

In the case of Venezuela, the commercial operations between businessmen are working, but politically, there are insufficient guarantees of stability for the fulfillment of the agreements.

There are many political statements in the Andean Pact, but not all of the cards are on the table. Peru has reversed itself on the customs tariffs issue, but has left the surtaxes alone.

With regard to the negotiations with Mexico, it would be better to wait until progress is made in that country's treaty with the United States and Canada. We do not oppose the negotiations, but we do indeed demand that the necessary equity be guaranteed.

[EL TIEMPO] Are the foreign investors complaining about discrimination where taxes are concerned?

[Angel] Obviously. The tax rates are very high.

But we must admit the whole truth to ourselves here. The large international enterprises are not thinking of Colombia, because the proper atmosphere for investment is not to be found here.

The situation says it all. There is major energy rationing, which limits operations. One day the country wakes up and finds itself without communication lines. The guerrillas could take over the systems of one of the major airports. Then too, the tax rate is much higher than that in the other countries that are trying to attract foreign investment.

The government says that thus far this year, more than $200 million in capital has come into the country. But this money is being brought in by the Colombian citizens themselves, both good and bad, who owned this capital abroad.

* Banking Official on Interest Rate Changes

92SM0478A Santa Fe de Bogota EL TIEMPO in Spanish 15 Jun 92 p 3B

[Text] The reduction in interest rates by decree does not guarantee that the avalanche of dollars will be slowed; on the contrary, it constitutes a risky situation for the economy.

On the other hand, what has indeed begun to take place is the process of financial disintermediation, because rates to depositors are now as low as negative 7 percent.

These warnings were made by the Colombian Banking Association (Asobancaria), in an editorial in the magazine BANCA Y FINANZAS, which will appear this Monday.

The analysis, by Asobancaria President Cesar Gonzalez Munoz, maintains that the board of the Banco de la Republica decided to assign a ceiling to the cost of money, with a view to reducing or eliminating the differential between domestic and foreign interest rates.

The mechanism seeks to avoid a greater revaluation of the peso, which has been under pressure, according to some analysts, by the growing accumulation of international reserves, creating so many difficulties for the economy.

"To stanch the flow of capital," it says, "the authorities can opt for one of two paths: taxes that punish capital of doubtful origin at the moment it enters the country, and/or exchange rates, through the Banco de la Republica's intervention as purchaser in the foreign exchange market."

Asobancaria believes that the situation has become complicated because managing the inflation has created vicious cycles, which have not resulted in the ends that were sought.

Last year, a contrarian policy was taken, with a view toward applying a brake to the growth in the cost of

living but with Banco de la Republica competing in the market, which exploded official interest rates to levels of 48 percent.

Then it was decided to reverse policies. Now greater flexibility in monetary control has been provided, and a brake on the inflow of dollars is being sought through a reduction in domestic interest rates.

Very Risky

In this change of policy, there has been so much progress, says Asobancaria, that we are now arriving at a situation that could be risky for the economy.

Currently, savings certificates issued by banks have seen their rates fall to between 17 and 18 percent, more than 20 points below the levels of 1991.

Simultaneously, the authorities have allowed expectations of a real revaluation of the peso to become stronger, with the establishment of a nominal devaluation goal that, annualized, yields less than 15 percent.

This reduction in rates could be risky, according to the association. In the first two weeks of June (up to the 11th), savings certificates worth 82 billion pesos expired, while new ones for 26 billion were placed, most of them on a single day.

That means that there was no demand for certificates for several days, leading one to think, furthermore, that the authorities will soon be unable to increase their capture of deposits at current rates.

Despite this decline in the cost of money (now it cannot rise above 35 percent effective annual rate for placements by banks, savings and loans, and cooperative organizations with a superior grade and 36.5 percent for financial companies and commercial finance companies), there has been no greater demand for credit. Furthermore, imports have not grown as predicted. On the contrary, the accumulation of reserves during the first five months of the year was more intense than last year.

Disintermediation

Asobancaria believes that the great danger that the sector and the economy face is that the disintermediation will continue to grow, a phenomenon that has already begun to be observed, creating a high level of liquidity in the economy.

It is recalled that annual inflation as of May was 27.3 percent, while in the first week of June the average rate for term certificates of deposit (CD's) in banks and finance companies was around 20 percent nominal for 90 days, 7 percent below inflation.

In addition, and this is something of concern to the sector, that rate is below the returns of the UPAC system, at 21.5 percent, which until now has marked the bottom of domestic interest rates.

"Under these circumstances," the editorial says, "continuing to reduce interest rates on deposits can only lead to acceleration in the disintermediation process that has been observed this year, to the detriment of activity in the financial sector, which is barely keeping its head above water after the consequences of the 1980's that interrupted the technological development projects that liberalization requires."

Revaluation

The sector believes that the possibility of closing the gap between domestic and foreign interest rates (which continue falling) and applying a brake to the rate of accumulation of reserves, now depends on a modification in the expectations of revaluation.

Changing them, it is argued, is not only important in order to reduce the capital flows, but also to avoid greater impact on export competitiveness.

But, the editorial notes, it is not sufficient to maintain the current level of real interest rates. "It is necessary to think of a measure for real effective interest rates that captures, on the one hand, the effect of the reduced subsidies, and on the other the fall in customs duties and other protectionist barriers."

To modify these expectations, the government could resort to the model foreign trade law and the regulatory resolutions of the foreign exchange market.

It could be done, according to Asobancaria, through disbursements of foreign credit from the public sector and management of the resources of the Coffee Growers Federation overseas to delay delay their inflow and counting among reserves for the greatest time possible.

Ecuador

Borja To Capitalize Central Bank Before 10 Aug

PA1507015992 Quito Voz de los Andes in Spanish 1130 GMT 13 Jul 92

[Text] The government of President Rodrigo Borja plans to capitalize the Central Bank of Ecuador before 10 August. The bank's capitalization, which will be determined in the next few days, will be achieved by means of a government contribution to the bank. According to Central Bank Manager Eduardo Samaniego, a special commission is currently working on the Central Bank's financial report. Once a study is conducted in the course of the next few days, the government will be able to determine the amount of the contribution needed.

The study that is being conducted includes determining assets and liabilities, which officials need to know in order to evaluate the current financial situation of the bank.

Different opinions, including that of Eduardo Valencia, the former manager of the Central Bank, believe the

bank's quasi-fiscal deficit is around 24 billion sucres, which is equivalent to 2.8 percent of the country's gross domestic product.

According to Samaniego, the Central Bank does not currently have the exact quasi-fiscal deficit figures because it depends on many factors, especially the closing date of the liquidation.

The quasi-fiscal deficit has two elements: cash deficit and accrued deficit. The former will be determined in the course of the financial study being conducted and the latter will depend on the final solution reached with creditor banks regarding our foreign debt, which means it cannot be determined by the government currently in power.

As for the bill on private financial institutions, which was submitted to President Borja on 7 July, Samaniego said the primary objective is to strengthen the banking system. The bill clearly limits the role of the various financial institutions.

Paraguay

Paraguayan-Peruvian Chamber of Commerce Formed

Peru's Bolona Meets Rodriguez

PY1407211492 Asuncion HOY in Spanish
14 Jul 92 p 7

[Excerpts] During a news conference held yesterday, Peruvian Economy Minister Carlos Bolona Behr said that the privatization process is based on two basic issues: "there is nothing strategic for the state, everything can be privatized; and it must be done expeditiously." He said this during a meeting establishing the Paraguayan-Peruvian Chamber of Commerce, which was also attended by Paraguayan Industry Minister Ubaldo Scavone, Peruvian Ambassador Luzmila Sanabria, and the chairman of UIP [Paraguayan Industrial Union] and Feprinco [Prdocution, Industry, and Commerce Federation], Arturo Jara Avelli and Cesar Avalos respectively. Miguel Angel Manzoni was elected president of the Paraguayan-Peruvian Chamber of Commerce. [passage omitted]

During a meeting with President Rodriguez, Peruvian Economy Minister Carlos Bolona Behr, on behalf of the Fujimori administration, has offered the Paraguayan Government an outlet to the Pacific Ocean. He also expressed his country's intention to join Mercosur [Common Market of the South].

Peru's Bolona Interviewed

PY1407211192 Asuncion ABC COLOR in Spanish
14 Jul 92 p 11

[Interview with Peruvian Economy Minister Carlos Bolona Behr by unidentified correspondent in Asuncion—date not given]

[Excerpts] [ABC COLOR] We understand that you are promoting Peru's withdrawal from the Andean Pact. Could you explain what are the reasons for this decision?

[Bolona] I see the Andean Pact as an agreement that was signed 23 years ago, and that has changed very little. The objective of the Andean Pact was to group five countries and to establish a single customs system to protect these countries from the rest of the world. If the Andean Pact still pursues this objective, I believe the cost is too high and the benefits too few to continue within a system that seeks to isolate us from the world. I believe we should promote integration with the rest of the world, not isolate ourselves. [passage omitted]

[ABC COLOR] Before the holding of the Las Lenas summit, a group of Peruvian businessmen met with the Uruguayan ambassador in Lima and expressed their desire to join Mercosur [Common Market of the South]. Is there an initiative in this direction at the government level, or is this only the desire of some businessmen?

[Bolona] Peru is studying whether or not to remain within the Andean Pact, but we must strengthen bilateral ties with some countries, particularly with bordering countries. It is also important to view Paraguay's case and study the possiblities of granting Paraguay port facilties on the Pacific, as was discussed in 1984. We must reactivate this issue and resume the pertinent studies.

I believe that Mercosur may be an interesting alternative so long as it does not create the same problems that were generated by the Andean Pact. But I do not believe in the need to join a subregional integration group if it does not promote integration at the international level.

[ABC COLOR] When you say integration at the international level, are you speaking of low tariffs?

[Bolona] That is right, low tariffs, the most uniform tariffs possible.

[ABC COLOR] How do you make low tariffs compatible with local industries?

[Bolona] I believe that a country must clearly establish what level of inefficiency it wants for its economy. If it wants to be inefficient, then it must close itself off from the rest of the world, and must increasingly isolate itself and simply live with what it produces. But I do not believe this is how the world will achieve development. The more efficient it wants to be, the fewer tariffs it will have, and it will then see the advantages of establishing low tarrifs. No country can produce all that it needs, least of all countries like ours.

No country can be self-sufficient; not even the PRC can be self-sufficient, with its 1 billion inhabitants. Peru, with 20 million inhabitants, is a very small country, which must study what it can produce and how to achieve efficient production. We may be efficient in some products. Well, then, we should produce what we are efficient at, and stop producing cars and equipment

which cost five or seven times more, which punishes the consumer and really undermines development.

[ABC COLOR] The idea is that integration is feasible without industrial subsidies, and with low tarrifs?

[Bolona] This is what we are proposing. [passage omitted]

'Sudden Replacement' of Minister 'Unexpected'

PY1407213692 Asuncion ULTIMA HORA in Spanish 14 Jul 92 p 12

[Excerpt] [passage omitted] An unexpected change with political overtones and connotations took place this morning in the Rodriguez administration's Cabinet, with Dr. Horacio Galeano Perrone's sudden replacement in the post of education and worship minister, and the appointment in this post of Dr. Raul Sapena Brugada, the departing secretary general of the presidency of the Republic. The unexpected change in the government structure is taking place less than one month after the holding of the ruling party's convention, and at a time when the excitement and struggle within the National Republican Association are coming to a peak. [passage omitted]

Peru

National Dialogue Enters 'New Phase' 14 Jul

PA1507002892 Lima Global de Television Network in Spanish 0100 GMT 14 Jul 92

[Excerpt] The dialogue between the government and the nation's forces enters a new phase on 14 July. This new phase is aimed at finding a feasible mechanism to return to constitutional order. During this phase, representatives of labor unions, the private sector, and the Catholic Church will participate. Foreign Minister Oscar de la Puente has said that the dialogue with the political parties will continue, despite APRA's [American Popular Revolutionary Alliance] and Popular Action's refusal to participate.

According to the proposed timetable, the dialogue with the private sector—represented by the CONFIEP [National Confederation of Private Businesses]—and with the diverse labor unions' representatives will be held on 14 and 15 July. The dialogue with the representatives of professional associations, the church, and the Council for Peace will be held on 16 July. Later that same day, the executive will assess, during a cabinet meeting, the development of the discussions held up until that time. Meanwhile, the joint meeting with political parties will be held on 18 July. Although the summons has been made publicly in advance, the official invitations to the dialogue have not been sent to the participants yet, nevertheless they appear willing to attend. Here are Foreign Minister Oscar de la Puente's remarks:

[Begin De la Puente recording, in progress] ...a democratic constituent congress, its operation, its duration, the basic characteristics of the electoral system to elect the Democratic Constituent Congress. The invitation extended was to discuss only these issues. This is the consequence of the request that resulted from the dialogue with the ad hoc foreign ministers in Washington and in The Bahamas, as well as of President Alberto Fujimori's subsequent personal commitment at The Bahamas. That is the historical document named The Bahamas Commitment, wherein the president made a pledge to return to constitutional democratic order through the election of a democratic constituent congress. [end recording] [passage omitted]

Venezuela

AD Denies Perez Permission To Attend Summit

PA1407133492 Hamburg DPA in Spanish 1248 GMT 14 Jul 92

[Text] Caracas, 14 Jul (DPA)—Venezuelan President Carlos Andres Perez will have to face another political conflict with Congress and his own party in the wake of the governing Democratic Action (AD) party's refusal to allow the head of state to leave the country to attend the Ibero-American Summit in Spain.

Perez' presence at the Ibero-American Summit on 24 July would have been viewed as a signal of the Venezuelan head of state's return to the international arena following an abortive coup d'etat in February.

Perez has not left the country since the coup attempt. His efforts to attend the Earth Summit in Rio de Janeiro in June resulted in a political crisis that forced the president to remain in Caracas.

The AD decision, announced after a meeting between Perez and the AD leadership, could cause a greater rift between the social democratic leader and his own party, the leaders of which are demanding changes in government policy and in the plan for macroeconomic adjustments.

According to AD spokesman Luis Emilio Rondon, the fact that Congress is discussing a tax reform package and amendments to the present Constitution make it necessary for the head of state to remain in the country.

A similar clash took place less than a month ago when the opposition vetoed the president's participation in the Rio de Janeiro Earth Summit.

Although Perez finally obtained permission to go to Brazil thanks to the vote of an independent deputy, he decided to remain in the country to cope with the political crisis that erupted when the members of the Social Christian Party withdrew from the government coalition.

AD President Celli Cited

PA1507043592 Caracas Venezolana de Television Network in Spanish 2300 GMT 14 Jul 92

[Text] Democratic Action [AD] President Humberto Celli said his party insists on not approving the congressional permit allowing President Carlos Andres Perez to attend the Ibero-American summit scheduled for 22 and 23 July in Madrid, Spain.

The position was ratified by Celli, who went to Miraflores Palace on 14 July to accompany President Perez in receiving Honduran President Rafael Leonardo Callejas.

The AD leader, however, recognized that the president's trips are always beneficial to the country, but bearing in mind the country's situation, it is not prudent for the president to leave the country even for a short time.

Celli said this position by the AD should not be interpreted as a break in the relations between the party and the president.

[Begin recording] [Celli] The party is adopting this position with responsibility in view of a situation also faced by the president. We must point out that the president is the one who leads the country's international policies and he is autonomous. He cannot give that responsibility to anyone else.

[Unidentified reporter] Are we not running the risk of isolating Venezuela from these summit meetings and isolating it from this integration process?

[Celli] I believe that in the near future the president will have better opportunities to establish direct contacts, which have always been productive. I believe President Perez' trips, which some people criticized before 4 February 1992, were trips that always produced benefits for the country. [end recording]

Social Christian Party President Hilarion Cardozo, who also attended the reception ceremony for the Honduran president, however, said he disagrees with the decision to deny the permit to the president because it is not a personal commitment, but a commitment for the country before the international community.

Honduran Delegation Visits; Callejas Speaks

PA1407235392 Caracas Venezolana de Television Network in Spanish 1647 GMT 14 Jul 92

[Speech by Honduran President Leonardo Callejas "to the people and Government of Venezuela" at Miraflores Palace in Caracas—live]

[Text] Your Excellency President Carlos Andres Perez, ladies and gentlemen: I have come from Honduras on a very special visit. I came to share the sentiments of solidarity, appreciation, and affection of the people and Government of Honduras for the people and Government of Venezuela. I came to convey to you our solidarity with democracy and all those aspects that are fundamental in this world of change and our solidarity with objectives aimed at creating better living conditions for our nations and people. These are not easy times for Hondurans, Venezuelans, or for those of us who have set out to seek and find solutions to very complex problems in their states. My nation, like Venezuela, promoted a profound program of economic restructuring aimed at resolving the problems caused by actions based on the idea that excessive spending was the short-term solution to economic problems. Venezuela is an example of these transformations. The courage and decision of President Carlos Andres Perez, the Venezuelan Government, and the people to accept the necessary sacrifices—present in many of our nations, specifically in mine, Honduras—inspired the political commitment to seek and find profound solutions to the very complex problem of poverty.

We note with concern, see it that way, and, therefore, voice our support for the commitment to find in Venezuela the example of democracy. We cannot help watching with deep concern the events of the past and of the recent past, which may entail a deterioration in the political and economic situation, and, particularly, the institutional situation of the Latin American region. Venezuela has been an example of democracy, Mr. President, and should remain that way. Venezuela has been a nation that has been the leader of these transformations, which have been reflected in a positive manner in Central America and Honduras. We—and I in particular—come to tell you it is imperative that this great nation continue on that path, that course, of democracy as the true foundation that upholds the principles our forefathers bequeathed us. For that reason, my visit here is filled with love, appreciation, and recognition for this extraordinary struggle that you and the people of Venezuela are waging. In your presence, we want to declare our profound interest in the continuation of a process that entails for Latin Americans, Central Americans, and Hondurans strong ties of communication so we can generate in a precise manner the best conditions for Latin America, Central America, and Honduras to find true answers to a basic principle of a constitutional nature. The world we live in is uncertain. It is a complex world. The current economic problems seriously affect us. Coffee and banana crops have a tremendous negative impact on the economies of our nations, chiefly on the nations that depend on these products.

For that reason, it becomes imperative to find in Latin American solidarity viable alternatives that harmoniously merge the commitments of our nations to provide an effective solution to the demands and wishes of our people. I wanted to come with the sentiments and conviction of a free man, from a free republic, to thank the Venezuelan people, their president, and this great nation for their struggle for freedom and democracy. May you continue to play that leading role, which the continent demands and needs. May Venezuela play, as it did yesterday and today, and as it always should, the role of a leading nation in seeking and founding the principles of freedom, democracy, and justice for our nations.

This, Mr. President, is why I came here: To express to you my appreciation and respect, as well as my hope that Venezuela will be able to display the broad vitality Latin America countries—particularly Central American countries—envision. I have no doubt the internal affairs of this great nation, which only concern Venezuelans, will be solved favorably and will be a positive example for our nation. It is, however, fundamental that democracy subsist because it is the only political system capable of generating favorable and positive answers to any country or nation. Without democracy, there is no alternative. Without democracy, the people's needs cannot be served. Without democracy, people cannot openly participate. Without democracy, there can be no respect for the most important thing: the human being. That is why I am here to thank you and your people and to reiterate the support, the appreciation, the respect, and the solidarity of the people and Government of Honduras. [applause]

Perez Addresses Delegation

PA1407190092 Caracas Venezolana de Television Network in Spanish 1652 GMT 14 Jul 92

[Speech by President Carlos Andres Perez on the occasion of a visit by Honduran President Rafael Leonardo Callejas and his delegation at the Miraflores Palace in Caracas—live]

[Text] Mr. President of the Republic of Honduras, Mr. Honduran Foreign Minister and other members of the Honduran delegation, ministers of my cabinet, ladies and gentlemen:

As you [Callejas] have said, I was surprised by your decision to come to Venezuela to personally express the solidarity of the Honduran Government and people in view of the difficult task we have embarked upon in our countries, Honduras and Venezuela, and throughout Latin America: the task of stimulating and producing in-depth reforms in our economic life and in our society. Of course, all these reforms will be carried out democratically.

I am certain, Mr. President and dear friend, that above all, with this gesture that so honors Venezuelans, you have come here concerned about the fate and destiny of democracy in Latin America. Hence your emphasis on that topic in your speech. There is no alternative to democracy. It is a disastrous mistake to believe we will be able to achieve our objectives through the shortcut of de facto government. Actually, mirages sometimes create illusions, as we are seeing in a certain Latin American country, where a people feel that a solution to their many difficulties and sacrifices can be found if one man takes upon himself all the powers of the state and offers to satisfy everyone's desires. These, however, are mirages, illusions from which those people emerge, sooner rather than later, to be subsequently caught up in the dramatic whirlwind of dictatorship.

In Latin America, the past decade, which was so hard on our countries economically and which generated a major share of the problems we are experiencing today, also marked the beginning of the irreversible democratic process upon which we have embarked. I do not believe that what has happened in two Latin American countries can alter the already definitive path our peoples have taken toward democracy. We are pained by what is happening there. I refer specifically to the long-suffering land of Haiti and that other fraternal country, Peru. Honduras and Venezuela express our good wishes and are working together in a search for solutions to those countries' problems by peaceful means, by international coexistence. However, we hope above all to avoid in our countries circumstances such as the ones we are lamenting in other countries today.

You have said, Mr. President, that these are difficult times. The world is changing, and it is changing rapidly. No country, no region in the world can evade or avoid the transformations that are being experienced everywhere. We here are experiencing difficulties that seem interminable, but they are nevertheless encouraging because we see that, gradually—and not without sacrifice—we are creating the conditions for our countries to move on, not only to situations of normalcy, but also toward permanent institutions that can project themselves toward the future and that do not depend on favorable prices for our raw materials or on the existence of difficulties for other peoples that result in benefits to us.

That is precisely the task we are completing in this very difficult stage. You spoke of coffee and bananas. They depend on prices set in the world's great financial markets without regard for the conditions being faced by the peoples who produce them. These prices are never commensurate with the increasing cost at which we are forced to purchase capital goods and other products that our developing countries require.

Venezuela has a different product that is worth much more than Honduran or Central American products such as coffee or bananas: It is petroleum. We have also been dependent on its price fluctuations. We are now trying to free ourselves from that dependence. We want to build diversified economies so we will not be so absolutely dependent or enslaved as we are now. But there is something that is more important: We understand that we cannot accomplish it alone. We can accomplish it in a community of nations. That is something difficult for our people to understand. Why is the Honduran president visiting Venezuela? Why do presidents travel so much? It was not like that in the past. It is so today because we are building an essential community based on the strength of conviction and reason so our rights will be respected. Individually we are so weak that the big nations controlling today's world economy do not respect our rights.

Therefore, we receive your visit to Venezuela with joy and enthusiasm, and we view it as great encouragement for the tasks we are undertaking. When we spoke, Mr.

President, and discussed the problems we are experiencing, we were surprised to find that we shared similar situations. Those similar situations also make us understand that only by combining efforts can we achieve our objectives.

Once, when referring to Latin American integration, I spoke about the union of fears, because it seems that when one shares a fear, it is more bearable and easier to overcome. Therefore, this is what we Latin American countries must do. Much progress has already been achieved. For example, the San Jose Agreement has meant important economic cooperation with the Central American and Caribbean countries. It has also brought about great economic cooperation for our peoples. It is true that we are providing financing for part of the petroleum we supply to your countries, but the part of the financing that is given in credits reverts to our countries because products from our nations are bought with those credits. That means companies from our countries expand their markets and have better opportunities in the Central American and Caribbean regions. In that way, what might simply be seen as Mexico's and Venezuela's cooperation with the Central American and Caribbean countries is, in fact, a system of multilateral cooperation. We have seen how our countries are benefiting from it.

Through the Group of Three—Mexico, Colombia, and Venezuela—the three great Caribbean basin countries, we are now trying to include Central America and the Caribbean in this integration effort, which we now see as essential. We have already advanced on that path. In addition to these efforts, which will lead to greater benefits for our peoples, we are building what has always been the focus of our speeches: Latin American integration. That is definitely what unites us, dear friend and president of Honduras. This is what has brought you to our country and what we welcome with joy and happiness, because we are building the America about which Simon Bolivar, Francisco Morazan, and so many other heroes of our nations dreamed. Before representatives of my country here and all Venezuelans over television and radio, I express to you my gratitude and recognition on behalf of myself, my government, and Venezuela for this example of active solidarity you are giving us with this visit. You are telling Venezuelans that Honduras is with them in these difficulties, and you are giving me the opportunity to tell you, Mr. President, that Venezuela deeply supports the process of change in Honduras. Just as in Honduras, you have seen our difficulties with concern and anguish. Here, too, we have shared those feelings regarding Central America. That is why you have heard Venezuela voicing its encouragement to Central America. Thank you very much, Mr. President. [applause]

Deputies Discuss Article on Freedom of Expression

PA1507040092 Caracas Venezolana de Television Network in Spanish 2300 GMT 14 Jul 92

[Report by Cecilia Pachano; passages within quotation marks are recorded]

[Text] Congressmen are currently meeting in a joint session at the Chamber of Deputies to state their position in a document regarding the opinions of media owners on controversial Article 66 on the freedom of expression.

The issue of freedom of expression continues to generate controvery in congress. The recent discussions by the Social Christian Party [COPEI] National Committee, which authorizes its Secretary General Eduardo Fernandez a blank check to change Articles 22 and 23 have unleashed different commentaries in the various factions.

Freedom of expression was once again the topic of the day even though it was not included on the Chamber of Deputies' agenda. The members of the board of directors of the National Journalists Association showed up at the Chamber of Deputies very early to express their support, on behalf of the convention of journalists which recently ended, for the reforms approved at the Chamber of Deputies.

[National Journalists Association President Eduardo Orozco] "Communication is free for all but involves duties and responsibilities that can guarantee the right to prompt and truthful information as well as the right to respond according to the principles of this Constitution and the law."

[Pachano] To this we must add the recent decision by COPEI regarding possible mediation by the party's secretary general in search of changes to the reforms.

According to COPEI Deputy Jose Rodriguez Iturbe, this was well received by his party's faction.

[Iturbe] "We gave a green light and a blank check to the reforms. The committee's decision was unanimous. In this regard we reconfirmed our trust in the parliamentary faction led by COPEI Deputy Haydee Castillo just as it is stated in the official document delivered to the media on 13 July."

[Pachano] Meanwhile, the leaders of the Democratic Action [AD] and COPEI factions said they have their reservations regarding this (?mediation).

[AD Deputy Henry Ramos Allup] "We are willing to hold institutional talks but we do not need post offices, messengers, or sponsors because we hold our own talks."

[Movement Toward Socialism Deputy Luis Manuel Esculpi] "We would be willing to hold overall discussions on the constitutional reforms, especially reforms to Article 66 and freedom of expression with COPEI Secretary General Eduardo Fernandez, but I believe the details of the parliamentary activities must necessarily be resolved with the COPEI factions."

[Pachano] Luis Enrique Oberto, president of the Chamber of Deputies, said there are no plans to lift the veto on Articles 22 and 23 and that is why they cannot be reformed at the plenum of the Chamber of Deputies.

[Oberto] "It is clearly determined that the Chamber of Deputies will make no changes to these articles. The bill to reform the Constitution will follow the regular course followed by any law at the legislative branch."

[Pachano] One of the results of this debate is the resumption of the discussion of the bill regulating journalism. Its discussion will begin in the Senate's Education and Culture Commission on 15 July.

French Guiana

Ariane Rocket Launched With Two Satellites

PA0907234192 Paris AFP in Spanish 2255 GMT 9 Jul 92

[Text] Kourou, French Guiana, 9 Jul (AFP)— The 51st European Ariane rocket was launched from the Kourou Space Center at 1942 [2242 GMT] today carrying one Indian and one European telecommunications satellite.

The rocket, an Ariane-44L, will put the satellite INSAT-2A into orbit on behalf of the Indian Government and the EUTELSAT-II-F4 on behalf of the European Telecommunications Organization.